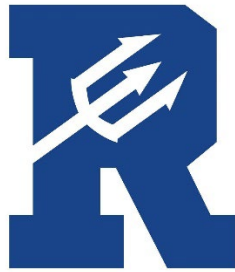


**READING COMMUNITY CITY SCHOOL DISTRICT  
HAMILTON COUNTY**



**SINGLE AUDIT**

**FOR THE YEAR ENDED JUNE 30, 2024**



# OHIO AUDITOR OF STATE KEITH FABER



65 East State Street  
Columbus, Ohio 43215  
ContactUs@ohioauditor.gov  
800-282-0370

Board of Education  
Reading Community City School District  
810 East Columbia Avenue  
Reading, Ohio 45215

We have reviewed the *Independent Auditor's Report* of the Reading Community City School District, Hamilton County, prepared by Plattenburg & Associates, Inc., for the audit period July 1, 2023 through June 30, 2024. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The Reading Community City School District is responsible for compliance with these laws and regulations.

A handwritten signature in black ink that reads "Keith Faber".

Keith Faber  
Auditor of State  
Columbus, Ohio

February 13, 2025

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**READING COMMUNITY CITY SCHOOL DISTRICT  
HAMILTON COUNTY  
FOR THE YEAR ENDED JUNE 30, 2024**

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**INDEPENDENT AUDITOR'S REPORT**

Board of Education  
Reading Community City School District

**Report on the Audit of the Financial Statements**

***Opinions***

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Reading Community City School District (the District) as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the District, as of June 30, 2024, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

## ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

## ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison schedule and schedules of pension information and other postemployment information to be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.



### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 20, 2024, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

*Plattenburg & Associates, Inc.*

Plattenburg & Associates, Inc.  
Cincinnati, Ohio  
December 20, 2024

**Reading Community City School District**  
**Management Discussion and Analysis**  
**For The Fiscal Year Ended June 30, 2024 (Unaudited)**

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The Reading Community City School District is presenting the following discussion and analysis in order to provide an overall review of the District's financial activities for the fiscal year ended June 30, 2024. The intent of this discussion and analysis is to look at the District's financial performance as a whole; readers should also review the notes to the basic financial statements and financial statements to enhance their understanding of the District's financial performance.

**Financial Highlights**

- In total, net position increased by \$4,836,733 or 17 percent.
- General revenues accounted for \$23,234,275 or 82 percent of total revenues. Program specific revenues in the form of charges for services and sales, grants and contributions accounted for \$5,177,195 or 18 percent of total revenues of \$28,411,470.
- The District had \$23,574,737 in expenses for governmental activities; only \$5,177,195 of these expenses were offset by program specific charges for services and sales, grants or contributions. General revenues (primarily property taxes and entitlements) and beginning net position were sufficient to provide these services.
- The District's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources at June 30, 2024 by \$33,707,964. Of this amount, (\$2,189,460) may be used to meet the District's ongoing financial obligations. This unrestricted balance was significantly adversely impacted by the implementation of GASB Statements No. 68 and 75, which were implemented in fiscal years 2015 and 2018, respectively. The remaining amounts represent the difference between capital assets and related debt and net position amounts restricted for specific purposes.
- The General Fund reported a positive fund balance of \$15,903,586.

**Overview of the Financial Statements**

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand Reading Community City School District as a financial whole, an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities.

The *statement of net position* and *statement of activities* provide information about the activities of the whole District, presenting both an aggregate view of the District's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at the District's major funds with all other nonmajor funds presented in total in one column. The major funds for the District are the General Fund and the Bond Retirement Fund.

**Reporting the District as a Whole**

The most common financial question posed to the District is "How did we do financially during 2024?" The *statement of net position* and the *statement of activities*, which appear first in the District's financial statements, report information on the District as a whole and its activities in a way that helps answer this

**Reading Community City School District  
Management Discussion and Analysis  
For The Fiscal Year Ended June 30, 2024 (Unaudited)**

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question. These statements include *all assets, liabilities, and deferred inflows/outflows of resources* using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the District's net position and changes in net position. This change in net position is important because it tells the reader, for the District as a whole, whether the financial position of the District has improved or diminished. However, the District's goal is to provide services to our students, not to generate profits as commercial entities do. One must consider many other nonfinancial factors, such as the District's property tax base, current property tax laws in Ohio restricting revenue growth, required educational programs, and other factors.

In the Government-wide Financial Statements, the District presents:

- **Governmental Activities** – The District's programs and services are reported here and include instruction, support services, operation of non-instructional services, extracurricular activities and interest and fiscal charges.

#### **Fund Financial Statements**

The analysis of the District's major funds is presented in the Fund Financial Statements (see Table of Contents). Fund financial reports provide detailed information about the District's major funds. The District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the District's most significant funds.

**Governmental Funds** – Most of the District's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in future periods. These funds are reported using an accounting method called *modified accrual* accounting, which measures cash and all other *financial assets* that can readily be converted to cash. The governmental fund financial statements provide a detailed *short-term* view of the District's general government operations and the basic services it provides. Governmental fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship (or difference) between governmental *activities* (reported in the Statement of Net Position and the Statement of Activities) and governmental *funds* is reconciled in the financial statements.

**Fiduciary Funds** – The District maintains fiduciary funds. These activities are excluded from the District's other financial statements because the District cannot use these assets to finance its operations. Fiduciary funds use the accrual basis of accounting.

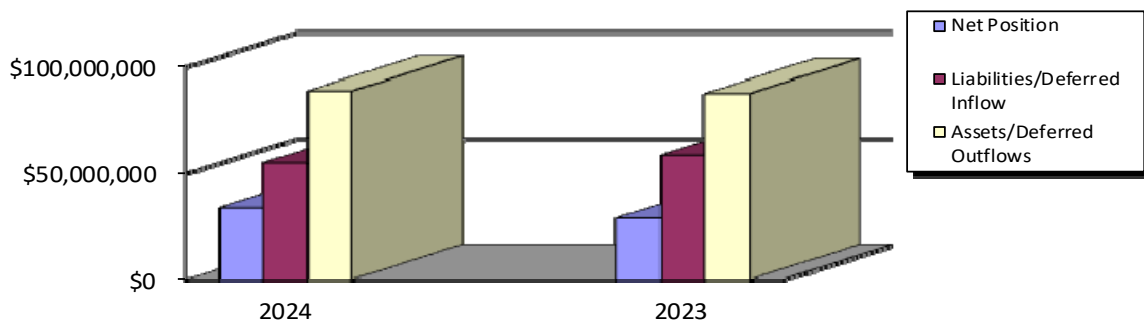
#### **The District as a Whole**

The statement of net position provides the perspective of the District as a whole. Table 1 below provides a summary of the District's net position for 2024 and 2023.

**Reading Community City School District  
Management Discussion and Analysis  
For The Fiscal Year Ended June 30, 2024 (Unaudited)**

Table 1  
Net Position

	Governmental Activities	
	2024	2023
Assets:		
Current and Other Assets	\$33,198,404	\$29,128,857
Net OPEB Asset	1,264,774	1,769,810
Capital Assets	50,115,757	51,694,078
Total Assets	84,578,935	82,592,745
Deferred Outflows of Resources:		
OPEB	538,611	331,510
Pension	3,312,383	4,287,930
Total Deferred Outflows of Resources	3,850,994	4,619,440
Liabilities:		
Other Liabilities	2,342,764	2,098,478
Long-Term Liabilities	42,015,246	43,495,848
Total Liabilities	44,358,010	45,594,326
Deferred Inflows of Resources:		
Property Taxes	6,533,334	7,944,112
Revenue in Lieu of Taxes	182	10,032
OPEB	1,795,190	2,417,564
Pension	2,035,249	2,374,920
Total Deferred Inflows of Resources	10,363,955	12,746,628
Net Position:		
Net Investment in Capital Assets	27,121,852	28,077,435
Restricted	8,775,572	8,822,486
Unrestricted	(2,189,460)	(8,028,690)
Total Net Position	\$33,707,964	\$28,871,231



Over time, net position can serve as a useful indicator of a government's financial position. At June 30, 2024, the District's assets and deferred outflows exceeded liabilities and deferred inflows of resources by \$33,707,964.

**Reading Community City School District**  
**Management Discussion and Analysis**  
**For The Fiscal Year Ended June 30, 2024 (Unaudited)**

At year-end, capital assets represented 59% of total assets. Capital assets include land, construction in progress, land improvements, buildings and improvements, and furniture and equipment. Capital assets, net of related debt to acquire the assets at June 30, 2024, were \$27,121,852. These capital assets are used to provide services to the students and are not available for future spending. Although the District's investment in capital assets is reported net of related debt, it should be noted that the resources to repay the debt must be provided from other sources, since capital assets may not be used to liquidate these liabilities.

A portion of the District's net position, \$8,775,572 represents resources that are subject to external restriction on how they must be used. The external restriction will not affect the availability of fund resources for future use.

Current and Other Assets increased mainly due to an increase in pooled cash and investments and intergovernmental receivables. Long-Term Liabilities decreased due changes in Net Pension and OPEB Liability.

Table 2 shows the changes in net position for fiscal years 2024 and 2023.

Table 2  
**Changes in Net Position**

	Governmental Activities	
	2024	2023
Revenues:		
Program Revenues		
Charges for Services and Sales	\$1,221,852	\$1,301,495
Operating Grants and Contributions	3,955,343	4,627,636
General Revenues:		
Property Taxes	13,522,988	10,488,002
Grants and Entitlements	8,699,626	7,853,929
Investment Earnings	834,007	458,937
Other	177,654	136,054
Total Revenues	28,411,470	24,866,053
Program Expenses:		
Instruction	12,470,502	11,966,210
Support Services:		
Pupil and Instructional Staff	1,852,387	1,782,685
Board of Education, School Administrative, General Administration, Fiscal and Business	2,435,949	2,287,622
Operations and Maintenance	2,814,600	2,894,112
Pupil Transportation	459,614	432,662
Central	128,789	103,536
Operation of Non-Instructional Services	1,831,012	1,725,436
Extracurricular Activities	785,255	702,710
Interest and Fiscal Charges	796,629	817,533
Total Program Expenses	23,574,737	22,712,506
Change in Net Position	4,836,733	2,153,547
Net Position - Beginning of Year	28,871,231	26,717,684
Net Position - End of Year	\$33,707,964	\$28,871,231

**Reading Community City School District  
Management Discussion and Analysis  
For The Fiscal Year Ended June 30, 2024 (Unaudited)**

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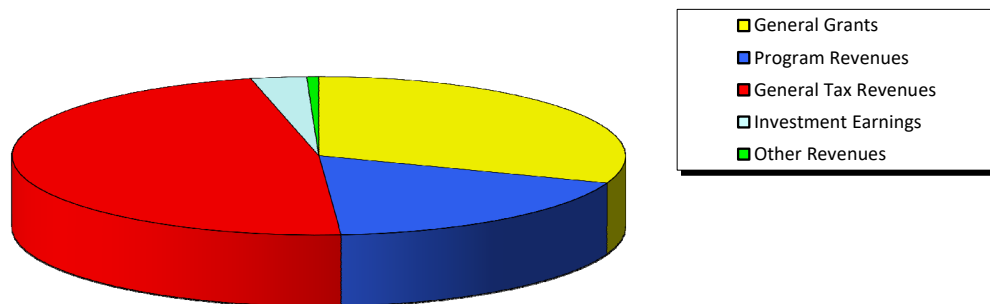
**Governmental Activities**

The District revenues came from mainly two sources. Property taxes levied for general purposes, special revenue purposes, debt service purposes, and grants and entitlements comprised 78% of the District's revenues for governmental activities.

The District depends greatly on property taxes as a revenue source. The unique nature of property taxes in Ohio creates the need to routinely seek voter approval for operating funds. The overall revenues generated by a levy will not increase solely as a result of inflation. As an example, a homeowner with a home valued at \$100,000 and taxed at 1.0 mill would pay \$35.00 annually in taxes. If three years later the home were reappraised and increased to \$200,000 (and this inflationary increase in value is comparable to other property owners) the effective tax rate would become .5 mills and the owner would still pay \$35.00.

Thus Ohio districts dependent upon property taxes are hampered by a lack of revenue growth and must regularly return to the voters to maintain a constant level of service. Property taxes made up 47.6% of revenue for governmental activities for Reading City School District in fiscal year 2024. The District's reliance upon tax revenues is demonstrated in the following graph:

Revenue Sources	2024	Percent of Total
General Grants	\$8,699,626	30.6%
Program Revenues	5,177,195	18.2%
General Tax Revenues	13,522,988	47.6%
Investment Earnings	834,007	2.9%
Other Revenues	177,654	0.6%
Total Revenues	<u>\$28,411,470</u>	<u>100.0%</u>



Instruction comprises 53% of governmental program expenses. Support services expenses were 33% of governmental program expenses. All other expenses and interest expense was 14%. Interest expense was attributable to the outstanding bond and borrowing for capital projects.

Program revenues decreased mainly due to a decrease in operating grants and contributions received in fiscal year 2024 as compared to fiscal year 2023. Total expenses increased from the prior year due to an increase in instruction expenses.

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. Table 3 shows, for government activities, the total cost of services and the net cost of services. That is, it identifies the cost of these services supported by tax revenue and unrestricted State entitlements.

**Reading Community City School District  
Management Discussion and Analysis  
For The Fiscal Year Ended June 30, 2024 (Unaudited)**

Table 3  
Governmental Activities

	Total Cost of Services		Net Cost of Services	
	2024	2023	2024	2023
Instruction	\$12,470,502	\$11,966,210	(\$9,784,380)	(\$8,845,383)
Support Services:				
Pupil and Instructional Staff	1,852,387	1,782,685	(1,592,425)	(1,346,498)
School Administrative, General				
Administration, Fiscal and Business	2,435,949	2,287,622	(2,214,044)	(2,089,269)
Operations and Maintenance	2,814,600	2,894,112	(2,777,133)	(2,818,980)
Pupil Transportation	459,614	432,662	(324,099)	(314,163)
Central	128,789	103,536	(123,912)	(71,280)
Operation of Non-Instructional Services	1,831,012	1,725,436	(205,945)	16,167
Extracurricular Activities	785,255	702,710	(578,975)	(496,436)
Interest and Fiscal Charges	796,629	817,533	(796,629)	(817,533)
Total Expenses	<u>\$23,574,737</u>	<u>\$22,712,506</u>	<u>(\$18,397,542)</u>	<u>(\$16,783,375)</u>

**The District's Funds**

The District has two major governmental funds: the General Fund, and the Bond Retirement Fund. Assets of these funds comprised \$28,015,853 (84%) of the total \$33,262,086 governmental funds' assets.

**General Fund:** Fund balance at June 30, 2024 was \$15,903,586 including \$15,812,209 of unassigned balance.

**Bond Retirement Fund:** Fund balance at June 30, 2024 was \$2,659,198.

**General Fund Budget Highlights**

The District's budget is prepared according to Ohio law and is based on accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. During the course of fiscal year 2024, the District revised its budget to accommodate changes in expected revenues and planned expenditures. The District's ending unobligated cash balance was \$834,328 above the final budgeted amount. The majority of the positive budget variance was attributed to cost savings in almost every expenditure category of the District.

**Capital Assets and Debt Administration Capital Assets**

At the end of the 2024 fiscal year, the District had \$50,115,757 in land, construction in progress, land improvements, buildings and improvements, and furniture and equipment. Table 4 demonstrates balances for 2024 as compared to 2023:

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**Reading Community City School District  
Management Discussion and Analysis  
For The Fiscal Year Ended June 30, 2024 (Unaudited)**

Table 4  
Capital Assets at Year End  
(Net of Depreciation)

	Governmental Activities	
	2024	2023
Land	\$1,492,451	\$1,492,451
Land Improvements	819,575	890,504
Buildings and Improvements	46,063,546	47,286,986
Furniture and Equipment	1,740,185	2,024,137
Total Net Capital Assets	<u>\$50,115,757</u>	<u>\$51,694,078</u>

The decrease in capital assets is primarily attributable to depreciation expense, in excess of acquisitions of capital assets. For more detailed information regarding capital assets, see note 7.

### Debt

At June 30, 2024, the District had \$22,993,905 in certificates of participation and general obligation bonds outstanding with \$590,000 due within one year. Table 5 summarizes outstanding long-term debt.

Table 5  
Outstanding Debt at Year End

	Governmental Activities	
	2024	2023
Certificates of Participation	\$1,150,000	\$1,255,000
General Obligation Bonds	21,843,905	22,361,643
Total	<u>\$22,993,905</u>	<u>\$23,616,643</u>

Additional information on debt can be found in note 11.

### For the Future

Reading Community City School District serves nearly 1,534 students in a state-of-the-art campus in the City of Reading, a small residential community of 3.1 square miles centrally located north of downtown Cincinnati. Reading is home to approximately 10,636 residents with a long history of valuing and supporting public education at the highest level. That expectation is reflected in the school district's commitment to providing an excellent education for each student through rigorous academics, loyal staff, and a wide range of enrichment opportunities.

We welcomed our students and staff members into our new state of the art PK-12 building in September 2019. The construction of the 215,560 square foot PK-12 facility was developed based upon the design team recommendations and led by our architectural firm, VSWC Architects in Mason, and Shook Touchstone as the Construction Manager at Risk. While the building is operational and occupied the PK-12 close out process will continue throughout the school year. The District owns both properties, Central Elementary and Hilltop Elementary, both buildings were closed in connection with the opening of new



**Reading Community City School District  
Management Discussion and Analysis  
For The Fiscal Year Ended June 30, 2024 (Unaudited)**

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campus-style facilities. In School Year 2021-22, the District completed the conversion of the Hilltop Elementary property into a baseball/softball athletic complex. In the 23/24 School Year, made possible by the generous donation of a community member, the District was able to completely redesign the basketball court at Hilltop, which is now the Chad Richmond Memorial Basketball Court. The District does not currently have any future plans for development of the Central Elementary property.

Reading Community City Schools is committed to providing a comprehensive education that nurtures every aspect of a child's development. From pre-kindergarten through 12th grade, we strive to ensure that every student has the opportunity to excel academically, physically, socially, and emotionally. As part of the adopted Strategic Plan in 2024-25, the district's five focus goal include:

Academics Excellence  
Inclusive School Culture and Climate  
Communication and Family, Community Engagement  
Health and Wellness  
Finances and Stewardship

The district has made significant strides in curriculum development, focusing on ensuring all students receive high-quality, research-based instruction. All teachers are currently being trained in the Science of Reading, with K-2 teachers having completed specialized training in Orton-Gillingham, a proven method for teaching literacy skills. New textbook and curriculum adoptions have already been implemented in English, Math, and Social Studies, with plans to adopt updated curricula in Science, the Arts, foreign languages, and more in the near future. To maintain continuous improvement, the district is transitioning all subjects to a five-year curriculum review and adoption cycle. These initiatives have contributed to the district's improved performance in the progress measure on the Ohio State Report Card, reflecting the positive impact of these curriculum enhancements have on student learning outcomes.

**Contacting the District's Financial Management**

This financial report is available to all of the citizens, taxpayers, investors, and creditors that may have an interest in the finances of the Reading Community City School District. Anyone having questions regarding this report or desiring additional information may contact Jennifer Burke, Treasurer at Reading Community City Schools, 810 E. Columbia Avenue, Reading, Ohio 45215, by phone at 513-842-5108, or by email at [jburke@readingschools.org](mailto:jburke@readingschools.org).

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Reading Community City School District, Ohio  
Statement of Net Position  
June 30, 2024

	Governmental Activities
Assets:	
Equity in Pooled Cash and Investments	\$19,912,853
Receivables (Net):	
Taxes	12,854,483
Accounts	6,925
Intergovernmental	305,445
Prepays	118,698
Nondepreciable Capital Assets	1,492,451
Depreciable Capital Assets, Net	48,623,306
Net OPEB Asset	1,264,774
Total Assets	84,578,935
Deferred Outflows of Resources:	
Pension	3,312,383
OPEB	538,611
Total Deferred Outflows of Resources	3,850,994
Liabilities:	
Accounts Payable	176,141
Accrued Wages and Benefits	1,806,677
Accrued Interest Payable	137,293
Deposits Held and Due to Others	187,613
Unearned Revenue	35,040
Long-Term Liabilities:	
Due Within One Year	954,049
Due In More Than One Year	
Net Pension Liability	16,597,807
Net OPEB Liability	797,368
Other Amounts	23,666,022
Total Liabilities	44,358,010
Deferred Inflows of Resources:	
Property Taxes	6,533,334
Revenue in Lieu of Taxes	182
Pension	2,035,249
OPEB	1,795,190
Total Deferred Inflows of Resources	10,363,955
Net Position:	
Net Investment in Capital Assets	27,121,852
Restricted for:	
Debt Service	2,616,649
Capital Projects	2,530,816
Food Service	1,343,776
Federal Grants	44,097
State Grants	211,061
Capital Maintenance	370,365
Net OPEB Asset	1,264,774
Other Purposes	394,034
Unrestricted	(2,189,460)
Total Net Position	\$33,707,964

See accompanying notes to the basic financial statements.

Reading Community City School District, Ohio  
Statement of Activities  
For the Fiscal Year Ended June 30, 2024

		Program Revenues		Net (Expense) Revenue and Changes in Net Position
		Charges for	Operating Grants	Governmental
	Expenses	Services and Sales	and Contributions	Activities
Governmental Activities:				
Instruction:				
Regular	\$9,144,889	\$318,042	\$245,447	(\$8,581,400)
Special	2,937,701	434,951	1,666,601	(836,149)
Vocational	9,988	0	4,842	(5,146)
Other	377,924	0	16,239	(361,685)
Support Services:				
Pupil	1,190,316	0	215,679	(974,637)
Instructional Staff	662,071	0	44,283	(617,788)
General Administration	41,570	0	0	(41,570)
School Administration	1,737,066	0	221,896	(1,515,170)
Fiscal	657,313	0	9	(657,304)
Operations and Maintenance	2,814,600	11,600	25,867	(2,777,133)
Pupil Transportation	459,614	56,131	79,384	(324,099)
Central	128,789	0	4,877	(123,912)
Operation of Non-Instructional Services	1,831,012	194,848	1,430,219	(205,945)
Extracurricular Activities	785,255	206,280	0	(578,975)
Interest and Fiscal Charges	796,629	0	0	(796,629)
Total Governmental Activities	23,574,737	1,221,852	3,955,343	(18,397,542)

General Revenues:

Property Taxes Levied for:

General Purposes	11,860,880
Special Revenue Purposes	106,532
Debt Service Purposes	1,555,576
Grants and Entitlements, Not Restricted	8,699,626
Revenue in Lieu of Taxes	211
Unrestricted Contributions	2,487
Investment Earnings	834,007
Other Revenues	174,956

Total General Revenues	23,234,275
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Change in Net Position	4,836,733
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Net Position - Beginning of Year	28,871,231
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Net Position - End of Year	\$33,707,964
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See accompanying notes to the basic financial statements.

Reading Community City School District, Ohio  
Balance Sheet  
Governmental Funds  
June 30, 2024

	General	Bond Retirement	Other Governmental Funds	Total Governmental Funds
Assets:				
Equity in Pooled Cash and Investments	\$13,103,038	\$1,997,198	\$4,812,617	\$19,912,853
Receivables (Net):				
Taxes	11,234,916	1,518,010	101,557	12,854,483
Accounts	6,005	0	920	6,925
Intergovernmental	18,394	0	287,051	305,445
Interfund	63,682	0	0	63,682
Prepays	74,610	0	44,088	118,698
Total Assets	<u>24,500,645</u>	<u>3,515,208</u>	<u>5,246,233</u>	<u>33,262,086</u>
Liabilities:				
Accounts Payable	138,534	0	37,607	176,141
Accrued Wages and Benefits	1,643,522	0	163,155	1,806,677
Compensated Absences	264,292	0	0	264,292
Interfund Payable	0	0	63,682	63,682
Deposits Held and Due to Others	187,613	0	0	187,613
Unearned Revenue	0	0	35,040	35,040
Total Liabilities	<u>2,233,961</u>	<u>0</u>	<u>299,484</u>	<u>2,533,445</u>
Deferred Inflows of Resources:				
Property Taxes	5,715,734	765,000	52,600	6,533,334
Grants and Other Taxes	0	0	169,048	169,048
Unavailable Revenue	647,182	91,010	5,957	744,149
Revenue in Lieu of Taxes	182	0	0	182
Total Deferred Inflows of Resources	<u>6,363,098</u>	<u>856,010</u>	<u>227,605</u>	<u>7,446,713</u>
Fund Balances:				
Nonspendable	74,610	0	44,088	118,698
Restricted	0	2,659,198	4,844,104	7,503,302
Assigned	16,767	0	0	16,767
Unassigned	15,812,209	0	(169,048)	15,643,161
Total Fund Balances	<u>15,903,586</u>	<u>2,659,198</u>	<u>4,719,144</u>	<u>23,281,928</u>
Total Liabilities, Deferred Inflows and Fund Balances	<u>\$24,500,645</u>	<u>\$3,515,208</u>	<u>\$5,246,233</u>	<u>\$33,262,086</u>

See accompanying notes to the basic financial statements.

Reading Community City School District, Ohio  
Reconciliation of Total Governmental Fund Balance to  
Net Position of Governmental Activities  
June 30, 2024

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Total Governmental Fund Balance		\$23,281,928
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Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.

Capital assets used in the operation of Governmental Funds		50,115,757
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Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.

Delinquent Property Taxes	\$744,149	
Intergovernmental	169,048	
	<hr/>	913,197

In the statement of net position interest payable is accrued when incurred; whereas, in the governmental funds interest is reported as a liability only when it will require the use of current financial resources.

(137,293)

Some liabilities reported in the statement of net position do not require the use of current financial resources and, therefore, are not reported as liabilities in governmental funds.

Compensated Absences		(1,361,874)
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Deferred outflows and inflows or resources related to pensions and OPEB are applicable to future periods and, therefore, are not reported in the funds.

Deferred outflows of resources related to pensions	3,312,383	
Deferred inflows of resources related to pensions	(2,035,249)	
Deferred outflows of resources related to OPEB	538,611	
Deferred inflows of resources related to OPEB	(1,795,190)	
	<hr/>	20,555

Long-term liabilities and net OPEB assets are not available to pay for current period expenditures and are not due and payable in the current period and, therefore, are not reported in the funds.

Net OPEB Asset	1,264,774	
Net Pension Liability	(16,597,807)	
Net OPEB Liability	(797,368)	
Other Amounts	(22,993,905)	
	<hr/>	(39,124,306)

Net Position of Governmental Activities		<u>\$33,707,964</u>
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See accompanying notes to the basic financial statements.

Reading Community City School District, Ohio  
Statement of Revenues, Expenditures  
and Changes in Fund Balance  
Governmental Funds  
For the Fiscal Year Ended June 30, 2024

	General	Bond Retirement	Other Governmental Funds	Total Governmental Funds
Revenues:				
Property and Other Taxes	\$12,051,278	\$1,579,743	\$108,263	\$13,739,284
Tuition and Fees	734,477	0	0	734,477
Investment Earnings	575,197	64,981	193,829	834,007
Intergovernmental	9,610,346	28,957	3,073,974	12,713,277
Extracurricular Activities	14,376	0	262,411	276,787
Charges for Services	11,600	0	207,938	219,538
Revenue in Lieu of Taxes	182	27	2	211
Other Revenues	66,971	0	101,521	168,492
Total Revenues	23,064,427	1,673,708	3,947,938	28,686,073
Expenditures:				
Current:				
Instruction:				
Regular	8,743,680	0	208,685	8,952,365
Special	2,212,870	0	805,793	3,018,663
Vocational	6,238	0	3,750	9,988
Other	362,706	0	16,239	378,945
Support Services:				
Pupil	1,044,494	0	206,867	1,251,361
Instructional Staff	618,933	0	52,188	671,121
General Administration	43,099	0	0	43,099
School Administration	1,619,194	0	222,913	1,842,107
Fiscal	650,055	19,300	1,280	670,635
Operations and Maintenance	1,600,993	0	269,031	1,870,024
Pupil Transportation	357,210	0	109,425	466,635
Central	126,504	0	3,369	129,873
Operation of Non-Instructional Services	37,879	0	1,718,571	1,756,450
Extracurricular Activities	463,815	0	316,046	779,861
Capital Outlay	720	0	124,872	125,592
Debt Service:				
Principal Retirement	105,000	460,000	0	565,000
Interest and Fiscal Charges	47,398	810,225	0	857,623
Total Expenditures	18,040,788	1,289,525	4,059,029	23,389,342
Excess of Revenues Over (Under) Expenditures	5,023,639	384,183	(111,091)	5,296,731
Other Financing Sources (Uses):				
Transfers In	0	0	265,000	265,000
Transfers (Out)	(265,000)	0	0	(265,000)
Total Other Financing Sources (Uses)	(265,000)	0	265,000	0
Net Change in Fund Balance	4,758,639	384,183	153,909	5,296,731
Fund Balance - Beginning of Year	11,144,947	2,275,015	4,565,235	17,985,197
Fund Balance - End of Year	\$15,903,586	\$2,659,198	\$4,719,144	\$23,281,928

See accompanying notes to the basic financial statements.

Reading Community City School District, Ohio  
Reconciliation of the Statement of Revenues, Expenditures, and Changes  
in Fund Balance of Governmental Funds to the Statement of Activities  
For the Fiscal Year Ended June 30, 2024

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Net Change in Fund Balance - Total Governmental Funds		\$5,296,731
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Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital asset additions as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount of the difference between capital asset additions and depreciation in the current period.

Capital assets used in governmental activities	149,836	
Depreciation Expense	<u>(1,728,157)</u>	
		(1,578,321)

Governmental funds report district pension and OPEB contributions as expenditures. However in the Statement of Activities, the cost of pension and OPEB benefits earned net of employee contributions is reported as pension and OPEB expense.

District pension contributions	1,513,155	
Pension expense	(988,106)	
District OPEB contributions	30,798	
OPEB expense	<u>181,380</u>	
		737,227

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.

Delinquent Property Taxes	(216,296)	
Intergovernmental	<u>(58,307)</u>	
		(274,603)

Repayment of bond and note principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.		565,000
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In the statement of activities interest expense is accrued when incurred; whereas, in governmental funds an interest expenditure is reported when due.		3,256
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Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Compensated Absences	29,705	
Amortization of Bond Premium	<u>57,738</u>	
		<u>87,443</u>

Change in Net Position of Governmental Activities		<u><u>\$4,836,733</u></u>
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See accompanying notes to the basic financial statements.

**Reading Community City School District**  
**Notes to the Basic Financial Statements**  
**For The Fiscal Year Ended June 30, 2024**

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**Note 1 – Description of the District and Reporting Entity**

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Reading Community City School District (the District) is a body politic and corporate established for the purpose of exercising the rights and privileges conveyed to it by the constitution and laws of the State of Ohio.

The District operates under a locally elected Board of Education (five members) and is responsible for the education of the residents of the District. The Board controls the District's three instructional support facilities staffed by 111 certified, 15 noncertified, and 8 administrative employees providing education to approximately 1,450 students. The district also has contract service agreements for speech, OT/PT, nurses, gifted specialist, school psych, educational aides, facility maintenance, cafeteria staffing and transportation.

The District was established in 1863 and was later organized under Sections 2 and 3, Article VI of the Constitution of the State of Ohio. Under such laws there is no authority for a school district to have a charter or adopt local laws. The legislative power of the District is vested in the Board of Education, consisting of five members elected at-large for staggered four-year terms. The District serves 3.14 square miles including all of the City of Reading, a small area of the City of Evendale, and a portion of Sycamore Township. The City of Reading was incorporated as a village in 1851. It is located in southwest Ohio, in the north-central portion of Hamilton County.

Financial Reporting Entity

The reporting entity is composed of the primary government. The primary government consists of all funds, departments, boards, and agencies that are not legally separate from the District. For Reading Community City School District, this includes general operations, food service, preschool, and student related activities of the District.

The District reviewed potential component units for possible inclusion in the reporting entity. Component units are legally separate organizations for which the District is financially accountable. The District would be financially accountable for an organization if the District appointed a voting majority of the organization's governing board and (1) the District was able to significantly influence the programs or services performed or provided by the organization; or (2) the District was legally entitled to or can otherwise access the organization's resources; the District was legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the District was obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the District in that the District approves the budget, the issuance of debt, or the levying of taxes. The District determined that it has no component units that meet these criteria.

The District is associated with three organizations, two of which are defined as jointly governed organizations and the other as an insurance purchasing pool. These organizations are the Great Oaks Institute of Technology and Career Development, the Hamilton/Clermont Cooperative, and the Ohio School Boards Association Workers' Compensation Group Rating Program. These organizations are presented in notes 8 and 13 to the basic financial statements.



**Reading Community City School District**  
**Notes to the Basic Financial Statements**  
**For The Fiscal Year Ended June 30, 2024**

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**Note 2 – Summary of Significant Accounting Policies**

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The financial statements of the District have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the District's accounting policies are described below.

Basis of Presentation

The District's basic financial statements consist of government-wide statements, including a statement of net position and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

*Government-wide Financial Statements*

The statement of net position and the statement of activities display information about the District as a whole. These statements include the financial activities of the primary government, except fiduciary funds.

The statement of net position presents the financial condition of the governmental activities of the District at year-end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the District's governmental activities. Direct expenses are those that are specifically associated with a service, program, or department and therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program and interest earned on grants that is required to be used to support a particular program. Revenues, which are not classified as program revenues, are presented as general revenues of the District, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the District.

*Fund Financial Statements*

During the year, the District segregates transactions related to certain District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the District at this more detailed level. The focus of governmental fund financial statements is on major funds. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column. Fiduciary funds are reported by type.

Fund Accounting

The District uses funds to maintain its financial records during the year. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to specific District functions or activities. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The District utilizes two categories of funds: governmental and fiduciary.

**Reading Community City School District**  
**Notes to the Basic Financial Statements**  
**For The Fiscal Year Ended June 30, 2024**

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*Governmental Funds*

Governmental funds are those through which most governmental functions of the District are financed. Governmental fund reporting focuses on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities and deferred inflows of resources is reported as fund balance. The following are the District's major governmental funds:

*General Fund* – The general fund is the general operating fund of the District and is used to account for all financial resources, except those required to be accounted for in another fund.

*Bond Retirement Fund* – The bonds retirement fund is used for the accumulation of resources for the payment of general long-term debt principal and interest.

The other governmental funds of the District account for grants and other resources whose use is restricted to a particular purpose.

*Fiduciary Funds*

Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private purpose trust funds, and custodial funds. Trust funds are used to account for assets held by the District under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the District's own programs. Custodial funds are used to report fiduciary activities that are not required to be reported in a trust fund. The District's only fiduciary fund is a custodial fund. The District's custodial fund accounts for OHSAA tournament monies.

Measurement Focus

*Government-wide Financial Statements*

The government-wide statements are prepared using the economic resources measurement focus. All assets, liabilities, and deferred inflows/outflows of resources associated with the operation of the District are included on the statement of net position. The statement of activities presents increases (i.e., revenues) and decreases (i.e., expenses) in total net position.

*Fund Financial Statements*

All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets, current liabilities, and certain deferred inflows of resources are generally included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include reconciliations with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

**Reading Community City School District**  
**Notes to the Basic Financial Statements**  
**For The Fiscal Year Ended June 30, 2024**

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Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. The government-wide financial statements and the financial statements of the fiduciary funds are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Differences in the accrual and the modified accrual bases of accounting arise in the recognition of revenue, the recording of deferred inflows/outflows, and in the presentation of expenses versus expenditures.

*Revenues – Exchange and Nonexchange Transactions*

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the District, available means expected to be received within sixty days of fiscal year-end.

Nonexchange transactions, in which the District receives value without directly giving equal value in return, include property taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. (See note 6.) Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted; matching requirements, in which the District must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the District on a reimbursement basis. On a modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

Under the modified accrual basis, the following revenue sources are deemed both measurable and available at fiscal year end: investment earnings, grants, and property taxes available for advance.

*Deferred Inflows/Outflows of Resources*

In addition to assets, the statements of financial position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. For the District, deferred outflows of resources includes pension and other post employment benefits. These amounts are reported on government-wide statement of net position. The deferred outflows of resources related to pension and OPEB plans are explained in Notes 9 and 10.

In addition to liabilities, the statements of financial position report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. For the District, deferred inflows of resources include property taxes, revenue in lieu of taxes, unavailable revenue, grants and other taxes, pension, and OPEB. Property taxes represent amounts for which there is an enforceable legal claim as of June 30, 2024, but which were levied to finance year 2025 operations. These amounts have been recorded as deferred inflows on both the government-wide statements of net

**Reading Community City School District**  
**Notes to the Basic Financial Statements**  
**For The Fiscal Year Ended June 30, 2024**

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position and the governmental fund financial statements. Grants and other taxes and unavailable revenue are reported only on the governmental fund financial statements. Deferred inflows related to pension and OPEB plans are reported on the governmental-wide statement of net position. For more pension and OPEB related information, see Notes 9 and 10.

*Expenses/Expenditures*

On the accrual basis of accounting, expenses are recognized at the time they are incurred. The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Allocations of cost, such as depreciation and amortization, are not recognized in the governmental funds.

Cash and Cash Equivalents

Cash received by the District is pooled for investment purposes with individual fund cash balance integrity maintained through the District's financial records. Monies for all funds are maintained in this account or temporarily used to purchase short-term investments. Each fund's interest in the pool is presented as "equity in pooled cash and cash equivalents" on the financial statements.

During fiscal year 2024, investments were limited to negotiable certificates of deposit, STAR Ohio, Federal Home Loan Mortgage, Commercial Paper, and money market funds. Investments are reported at fair value, which is based on quoted market prices. Nonparticipating investment contracts such as nonnegotiable certificates of deposit are reported at cost.

STAR Ohio (the State Treasury Asset Reserve of Ohio), is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but has adopted Governmental Accounting Standards Board (GASB), Statement No. 79, "Certain External Investment Pools and Pool Participants." The School District measures its investment in STAR Ohio at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides an NAV per share that approximates fair value.

For fiscal year 2024, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, notice must be given 24 hours in advance of all deposits and withdrawals exceeding \$25 million. STAR Ohio reserves the right to limit the transaction to \$100 million. All accounts of the participant will be combined for these purposes.

Under existing Ohio statutes, all investment earnings are allocated to the general fund except those specifically related to auxiliary services fund, agency funds, certain trust funds, and those funds individually authorized by Board resolution. Interest revenue credited to the general fund and the bond retirement fund during fiscal year 2024 amounted to \$575,197 and \$64,981 respectively. Interest revenue was also recorded in other governmental funds in the amount of \$193,829.

**Reading Community City School District**  
**Notes to the Basic Financial Statements**  
**For The Fiscal Year Ended June 30, 2024**

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Fund Balance

Fund balance is divided into five classifications based primarily on the extent to which the District is bound to observe constraints imposed upon the use of the resources in the governmental funds. The classifications are as follows:

*Nonspendable* – The nonspendable fund balance category includes amounts that cannot be spent because they are not in spendable form, or are legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash. It also includes the long-term amount of loans receivable, as well as property acquired for resale, unless the use of the proceeds from the collection of those receivables or from the sale of those properties is restricted, committed, or assigned.

*Restricted* – Fund balance is reported as restricted when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or is imposed by law through constitutional provisions.

*Committed* – This fund balance classification includes amounts that can be used only for the specific purposes imposed by a formal action (resolution) of the District’s Board of Education. Those committed amounts cannot be used for any other purpose unless the District’s Board of Education removes or changes the specified use by taking the same type of action (resolution) it employed to previously commit those amounts. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

*Assigned* – Amounts in the assigned fund balance classification are intended to be used by the District for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the general fund, assigned amounts would represent intended uses established by the District’s Board of Education.

*Unassigned* – Unassigned fund balance is the residual classification for the general fund and includes all spendable amounts not contained in the other classifications. In the other governmental funds, the unassigned classification is used only to report a deficit fund balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

The District applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first, followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

**Reading Community City School District**  
**Notes to the Basic Financial Statements**  
**For The Fiscal Year Ended June 30, 2024**

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Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2024 are recorded as prepaid items. A current asset for the prepaid amount is recorded at the time of the purchase and an expenditure/expense is reported in the year in which services are consumed.

Capital Assets

All capital assets of the District are general capital assets, which generally result from expenditures in the governmental funds. These assets are reported in the government-wide statement of net position but are not reported in the fund financial statements.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their acquisition values as of the date received. The District maintains a capitalization threshold of five thousand dollars (\$5,000). The District does not possess any infrastructure. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not.

All reported capital assets except land and construction in progress are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line method over the following useful lives:

Land Improvements	20 years
Buildings	50 years
Building Improvements	20-30 years
Furniture and Equipment	5-20 years

Compensated Absences

Vacation benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the District will compensate the employees for the benefits through paid time off or some other means. The District records a liability for accumulated unused vacation time when earned for all employees with more than one year of service.

Sick leave benefits are accrued as a liability using the vesting method. The liability includes the employees who are currently eligible to receive termination benefits and those the District has identified as probable of receiving payment in the future. The amount is based on accumulated sick leave and employees' wage rates at fiscal year end, taking into consideration any limits specified in the District's termination policy. The District records a liability for accumulated unused sick leave for classified and certified employees and administrators after 10 years of current service with the District.

The entire compensated absence liability is reported on the government-wide financial statements. On the governmental fund financial statements, compensated absences are recognized as liabilities and expenditures as payments come due each period upon the occurrence of employee resignations and retirements. These amounts are recorded in the account "matured compensated absences payable" in the fund from which the employee will be paid.

**Reading Community City School District**  
**Notes to the Basic Financial Statements**  
**For The Fiscal Year Ended June 30, 2024**

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Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities, and long-term obligations are reported in the government-wide financial statements.

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources are reported as obligations of the funds. However, compensated absences and net pension/OPEB liabilities that will be paid from governmental funds are reported as liabilities in the fund financial statements only to the extent that they are due for payment in the current year.

Bonds, certificates of participation, and bond anticipation notes that will be paid from governmental funds are recognized as liabilities in the fund financial statements when due.

Net Position

Net position represents the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction, or improvement of those assets. Net position is reported as restricted when there are limitations imposed on its use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Net position restricted for other purposes includes activities for food service operations, music and athletic programs, and federal and state grants restricted to expenditures for specified purposes.

None of the restricted net position reported by the District on the government-wide statement of net position is restricted by enabling legislation.

The District applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

Estimates

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Interfund Transactions

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds. Transfers within the governmental activities are eliminated on the government-wide financial statements.

**Reading Community City School District**  
**Notes to the Basic Financial Statements**  
**For The Fiscal Year Ended June 30, 2024**

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Parochial Schools

Within the District's boundaries, Mount Notre Dame High School is operated through the Cincinnati Archdiocese. St. Peter and Paul Academy Elementary and The Cincinnati Classical Academy are chartered nonpublic elementary. The state and federal legislation provides funding to these parochial schools. For Mt. Notre Dame and St. Peter and Paul, these monies are received and disbursed on behalf of the parochial schools by the Treasurer of the District, as directed by the parochial schools. The receipt and expenditure of these state monies is reflected in a special revenue fund for financial reporting purposes.

Basis of Budgeting

All funds, other than the agency fund, are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriation resolution, all of which are prepared on the budget basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amounts that the Board of Education may appropriate. The appropriation resolution is the Board's authorization to spend resources and sets annual limits on expenditures plus encumbrances at a level of control selected by the Board. The legal level of control has been established by the Board of Education at the fund level. The Treasurer has been authorized to allocate Board appropriations to the function and object level within each fund.

The certificate of estimated resources may be amended during the year if projected increases or decreases in revenue are identified by the Treasurer. The amounts reported as the original budgeted amounts in the budgetary statement reflect the amounts in the certificate when the original appropriations were adopted. The amounts reported as the final budgeted amounts in the budgetary statement reflect the amounts in the final amended certificate in effect at the time the final appropriations were passed by the Board of Education.

The appropriation resolution is subject to amendment by the Board throughout the year with the restriction that appropriations may not exceed estimated revenues. The amounts reported as the original budgeted amounts reflect the first appropriation for that fund that covered the entire fiscal year, including amounts automatically carried over from prior years. The amounts reported as the final budgeted amounts represent the final appropriation amounts passed by the Board during the fiscal year.

Restricted Assets

Assets are reported as restricted when limitations on their use change the nature or normal understanding of the availability of the asset. Such constraints are either externally imposed by creditors, contributors, grantors or laws of other governments, or imposed by law through constitutional provisions. Restricted assets in the construction fund are amounts held for retainage. Restricted assets in the general fund are amounts required to be set aside for capital acquisition. See note 14 for additional information.

Interfund Balances

On the fund financial statements, receivables and payables resulting from short-term interfund loans are classified as "interfund receivables" and "interfund payables". These amounts are eliminated in the government-wide statement of net position.



**Reading Community City School District**  
**Notes to the Basic Financial Statements**  
**For The Fiscal Year Ended June 30, 2024**

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Pensions/OPEB

For purposes of measuring the net pension/OPEB liability, deferred outflows of resources and deferred inflows of resources related to pensions/OPEB, and pension/OPEB expense, information about the fiduciary net position of the pension/OPEB plans and additions to/deductions from their fiduciary net position have been determined on the same basis as they are reported by the pension/OPEB plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. The pension/OPEB plans report investments at fair value.

**Note 3 – Fund Deficits**

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At June 30, 2024, the following funds had fund deficits:

<u>Fund</u>	<u>Deficit</u>
Title I Fund	\$62,935
Title VI Fund	500
IDEA	72,290

The fund deficit resulted from adjustments for accrued liabilities. The general fund is liable for any deficit in these funds and provides operating transfers when cash is required, not when accruals occur.

**Note 4 – Deposits and Investments**

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State statutes require the classification of monies held by the District into three categories.

Active deposits are those monies required to be kept in a “cash” or “near-cash” status for immediate use by the District. Such monies must be maintained either as cash in the District Treasury, in depository accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

Inactive deposits are those monies not required for use within the current five-year period of designation of depositories. Inactive monies may be deposited or invested as certificates of deposit maturing not later than the end of the current period of designation of depositories, or as savings or deposit accounts including, but not limited to, passbook accounts.

Interim deposits are those monies which are not needed for immediate use but which will be needed before the end of the current period of designation of depositories.

Interim monies may be deposited or invested in the following securities:

1. United States Treasury bills, bonds, notes, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligation or security issued by any federal government agency or instrumentality including, but not limited to, the Federal National

**Reading Community City School District**  
**Notes to the Basic Financial Statements**  
**For The Fiscal Year Ended June 30, 2024**

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Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, and Government National Mortgage Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;

3. Written repurchase agreements in the securities listed above provided the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio, and with certain limitations including a requirement for maturity within ten years from the date of settlement, bonds and other obligations of political subdivisions of the State of Ohio, if training requirements have been met;
5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
6. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
7. The State Treasurer's investment pool (STAR Ohio).
8. Certain bankers' acceptances for a period not to exceed one hundred eighty days) and commercial paper notes (for a period not to exceed two hundred seventy days) in an amount not to exceed 40 percent of the interim monies available for investment at any one time if training requirements have been met.

Investments in stripped principal or interest obligations, reverse repurchase agreements, and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage, and short selling are also prohibited. Except as noted above, an investment must mature within five years from the date of purchase, unless matched to a specific obligation or debt of the School District, and must be purchased with the expectation that it will be held to maturity.

Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the Treasurer or qualified trustee or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

**Deposits**

Custodial credit risk for deposits is the risk that in the event of bank failure, the District will not be able to recover deposits or collateral securities that are in the possession of an outside party. As of June 30, 2024, \$3,589,352 of the District's bank balance of \$4,114,769 was exposed to custodial credit risk because it was uninsured and collateralized.

The District has no deposit policy for custodial risk beyond the requirements of State statute. Ohio law requires that deposits either be insured or be protected by:

**Reading Community City School District**  
**Notes to the Basic Financial Statements**  
**For The Fiscal Year Ended June 30, 2024**

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Eligible securities pledged to the District and deposited with a qualified trustee by the financial institution as security for repayment whose market value at all times shall be at least 105 percent of the deposits being secured; or

Participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution. OPCS requires the total market value of the securities pledged to be 102 percent of the deposits being secured or a rate set by the Treasurer of State.

Investments

The District's investments are summarized as follows:

	Fair Value	Fair Value Hierarchy	Weighted Average Maturity (Years)
Money Market Fund	\$102,351	N/A	0.00
STAR Ohio	9,393,032	N/A	0.13
Federal Home Loan Bank-Discount Notes	1,362,764	Level 2	1.97
Federal Home Loan Mortgage	326,291	Level 2	2.37
Federal Farm Credit Bank	563,600	Level 2	3.65
US Treasury note	916,321	Level 2	4.02
Commercial Paper	1,208,127	Level 2	0.25
Negotiable CDs	2,027,525	Level 2	0.81
	<u>\$15,900,011</u>		
Portfolio Weighted Average Maturity			0.87

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets. Level 2 inputs are significant other observable inputs. Level 3 inputs are significant unobservable inputs. The above table identifies the District's recurring fair value measurements as of June 30, 2024. As discussed further in note 2, STAR Ohio is reported at its share price. All other investments of the District are valued using quoted market prices (Level 1 inputs).

**Credit Risk** – It is the District's policy to limit its investments that are not obligations of the U.S. government or obligations explicitly guaranteed by the U.S. government to investments which have a credit quality rating of the top 2 ratings by nationally recognized statistical rating organizations. The District's investments in US Government Agency notes and Treasury notes were rated AA+ by Standard and Poor's and Aaa by Moody's Investment Service. The District's investments in Commercial Paper were rated A-1 by Standard and Poor's and P-1 by Moody's Investment Services. The District's investments in Money Market Funds and Negotiable CD's are not rated. The District's investments in STAR Ohio was rated AAAM by Standard & Poor's.

**Custodial Credit Risk** – Custodial credit risk occurs if, in the event of a failure of a counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The District's investment securities are registered in the name of the District.

**Reading Community City School District**  
**Notes to the Basic Financial Statements**  
**For The Fiscal Year Ended June 30, 2024**

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Interest Rate Risk – In accordance with the investment policy, the District manages its exposure to declines in fair value by limiting the weighted average maturity of its investment portfolio for five years.

Concentration of Credit Risk – This is the risk that can be attributed to the magnitude of a government's investment in a single issuer. The District's investment policy allows investments in eligible securities as described in the Ohio Revised Code. The District has invested 8% in Federal Home Loan Bank-Discount Notes, 2% in Federal Home Loan Mortgage, 3% in Federal Farm Credit Bank, 8% in Commercial Paper, 13% in Negotiable CD's, 59% in STAR Ohio, 6% in US Treasury Note, and less than 1% in Money Market Funds.

**Note 5 – Property Taxes**

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Property taxes are levied and assessed on a calendar year basis while the District fiscal year is from July through June. The District in the second half of the fiscal year receives first half tax collections. Second half tax distributions occur in the first half of the following fiscal year.

Property taxes include amounts levied against all real, public utility, and tangible personal property (used in business) located in the District. Real property taxes received in calendar year 2024 represent the collections of calendar year 2023 taxes. Real property taxes received in calendar year 2024 were levied after April 1, 2023 on the assessed value listed as of January 1, 2023, the lien date. Assessed values for real property taxes are established by State law at thirty-five percent of appraised market value. Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31 with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established.

Public utility property tax revenue received in calendar year 2024 represents collections of calendar year 2023 taxes. Public utility real and tangible personal property taxes received in calendar year 2021 became a lien December 31, 2021, were levied after April 1, 2023, and are collected in 2024 with real property taxes. Public utility real property is assessed at thirty-five percent of true value; public utility tangible personal property currently is assessed at varying percentages of true value.

The District receives property taxes from Hamilton County. The County Auditor periodically advances to the District its portion of the taxes collected. Second-half property tax payments collected by the County by June 30, 2024 are available to finance fiscal year 2024 operations. The amount available to be advanced can vary based on the date the tax bills are sent.

Accrued property taxes receivable includes real property and public utility property taxes which are measurable as of June 30, 2024, and for which there is an enforceable legal claim. Although total property tax collections for the next fiscal year are measurable, only the amount of real property taxes available as an advance at June 30 was levied to finance current fiscal year operations and is reported as revenue at fiscal year end. The portion of the receivable not levied to finance current fiscal year operations is offset by a credit to deferred inflows of resources. The amount available as an advance at June 30, 2024 was \$4,872,000 in the general fund, \$662,000 in the bond retirement fund, and \$43,000 in the classroom facilities maintenance nonmajor special revenue fund. On a full accrual basis, collectible delinquent property taxes have been recorded as a receivable and revenue, while on a modified accrual basis the revenue has been deferred.

**Reading Community City School District**  
**Notes to the Basic Financial Statements**  
**For The Fiscal Year Ended June 30, 2024**

The assessed values upon which the fiscal year 2024 taxes were collected are:

<u>2023 Second Half Collections</u>		<u>2024 First Half Collections</u>	
Agricultural/Residential and		Agricultural/Residential and	
Other Real Estate	\$196,278,550	Other Real Estate	\$261,529,010
Public Utility Personal	14,118,840	Public Utility Personal	16,220,120
Total Assessed Value	<u>\$210,397,390</u>	Total Assessed Value	<u>\$277,749,130</u>
	\$86.79		\$83.93

**Note 6 – Receivables**

Receivables at June 30, 2024 consisted of taxes, accounts, interfund loans, and intergovernmental grants. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of State programs, and the current year guarantee of federal funds. All receivables are expected to be collected within one year.

	<u>Taxes</u>	<u>Accounts</u>	<u>Intergovernmental</u>	<u>Interfund</u>
General Fund	\$11,234,916	\$6,005	\$18,394	\$63,682
Bond Retirement	1,518,010	0	0	0
Other Governmental Funds	101,557	920	287,051	0
Total	<u>\$12,854,483</u>	<u>\$6,925</u>	<u>\$305,445</u>	<u>\$63,682</u>

**Note 7 – Capital Assets**

Capital asset activity for the fiscal year ended June 30, 2024 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
<b>Governmental Activities</b>				
<b>Capital Assets, not being depreciated:</b>				
Land	\$1,492,451	\$0	\$0	\$1,492,451
<b>Capital Assets, being depreciated:</b>				
Land Improvements	1,209,686	0	0	1,209,686
Buildings and Improvements	53,133,496	107,975	0	53,241,471
Furniture and Equipment	<u>4,717,570</u>	<u>41,861</u>	<u>0</u>	<u>4,759,431</u>
Totals at Historical Cost	<u>60,553,203</u>	<u>149,836</u>	<u>0</u>	<u>60,703,039</u>
<b>Less Accumulated Depreciation:</b>				
Land Improvements	319,182	70,929	0	390,111
Buildings and Improvements	5,846,510	1,331,415	0	7,177,925
Equipment	<u>2,693,433</u>	<u>325,813</u>	<u>0</u>	<u>3,019,246</u>
Total Accumulated Depreciation	<u>8,859,125</u>	<u>1,728,157</u>	<u>0</u>	<u>10,587,282</u>
Governmental Activities Capital Assets, Net	<u>\$51,694,078</u>	<u>(\$1,578,321)</u>	<u>\$0</u>	<u>\$50,115,757</u>

**Reading Community City School District**  
**Notes to the Basic Financial Statements**  
**For The Fiscal Year Ended June 30, 2024**

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Depreciation expense was charged as follows:

Instruction:	
Regular	\$625,449
Support Services:	
School Administration	14,221
Operations and Maintenance	966,870
Operation of Non-Instructional Services	90,180
Extracurricular Activities	31,437
Total Depreciation Expense	<u>\$1,728,157</u>

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**Note 8 – Risk Management**

Property and Liability

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During fiscal year 2024, the District contracted with Wright Specialty for general liability insurance with an \$3,000,000 aggregate limit and \$5,000 deductible covering all employees and volunteers of the District.

Wright Specialty also provides property and fleet insurance; auto holds a \$1,000 deductible.

Hylant Administrators maintains a \$20,000 performance bond for the Board President and superintendent and a \$50,000 public official bond for the Treasurer. Wright Specialty also maintains a \$50,000 employee dishonesty blanket bond for all employees.

Settlements have not exceeded insurance coverage in any of the last three fiscal years. There was no significant decrease in coverage from the prior year.

Worker's Compensation

The District participates in the Ohio School Boards Association Workers' Compensation Group Rating Program (GRP), an insurance purchasing pool. The intent of the GRP is to achieve the benefit of a reduced premium for the District by virtue of its grouping and representation with other participants in the GRP. The workers' compensation experience of the participating districts is calculated as one experience and a common premium rate is applied to all districts in the GRP. Each participant pays its workers' compensation premium to the State based on the rate for the GRP rather than its individual rate. Total savings are then calculated and each participant's individual performance is compared to the overall savings percentage of the GRP. A participant will then either receive money from or be required to contribute to the "Equity Pooling Fund". This "equity pooling" arrangement ensures that each participant shares equally in the overall performance of the GRP. Participation in the GRP is limited to districts that can meet the GRP's selection criteria. The firm of CompManagement, Inc. provides administrative, cost control, and actuarial services to the GRP.

**Reading Community City School District**  
**Notes to the Basic Financial Statements**  
**For The Fiscal Year Ended June 30, 2024**

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**Note 9 - Defined Benefit Pension Plans**

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The Statewide retirement systems provide both pension benefits and other postemployment benefits (OPEB).

**Net Pension Liability/Net OPEB Liability (Asset)**

Pensions and OPEB are a component of exchange transactions—between an employer and its employees—of salaries and benefits for employee services. Pensions/OPEB are provided to an employee—on a deferred-payment basis—as part of the total compensation package offered by an employer for employee services each financial period.

The net pension/OPEB liability (asset) represent the District's proportionate share of each pension/OPEB plan's collective actuarial present value of projected benefit payments attributable to past periods of service, net of each pension/OPEB plan's fiduciary net position. The net pension/OPEB liability (asset) calculation is dependent on critical long-term variables, including estimated average life expectancies, earnings on investments, cost of living adjustments and others. While these estimates use the best information available, unknowable future events require adjusting these estimates annually.

Ohio Revised Code limits the District's obligation for this liability to annually required payments. The District cannot control benefit terms or the manner in which pensions/OPEB are financed; however, the District does receive the benefit of employees' services in exchange for compensation including pension and OPEB.

GASB 68/75 assumes the liability is solely the obligation of the employer, because (1) they benefit from employee services; and (2) State statute requires funding to come from these employers. All pension contributions to date have come solely from these employers (which also includes pension costs paid in the form of withholdings from employees). The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits. In addition, health care plan enrollees pay a portion of the health care costs in the form of a monthly premium. State statute requires the retirement systems to amortize unfunded pension liabilities within 30 years. If the pension amortization period exceeds 30 years, each retirement system's board must propose corrective action to the State legislature. Any resulting legislative change to benefits or funding could significantly affect the net pension/OPEB liability (asset). Resulting adjustments to the net pension/OPEB liability (asset) would be effective when the changes are legally enforceable. The Ohio revised Code permits, but does not require the retirement systems to provide healthcare to eligible benefit recipients.

The remainder of this note includes the required pension disclosures. See Note 10 for the required OPEB disclosures.

**Plan Description - School Employees Retirement System (SERS)**

**Plan Description**

District non-teaching employees participate in SERS, a cost-sharing multiple-employer defined benefit pension plan administered by SERS. SERS provides retirement, disability and survivor benefits, and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by Ohio Revised Code Chapter 3309. SERS issues a publicly available, stand-alone financial report that includes financial statements, required supplementary information and detailed information about SERS' fiduciary net position. That report can be obtained by visiting the SERS website at [www.ohsers.org](http://www.ohsers.org) under Employers/Audit Resources.

Age and service requirements for retirement are as follows:

**Reading Community City School District**  
**Notes to the Basic Financial Statements**  
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	Eligible to Retire on or before August 1, 2017 *	Eligible to Retire on or after August 1, 2017
Full Benefits	Any age with 30 years of service credit	Age 67 with 10 years of service credit; or Age 57 with 30 years of service credit
Actuarially Reduced Benefits	Age 60 with 5 years of service credit Age 55 with 25 years of service credit	Age 62 with 10 years of service credit; or Age 60 with 25 years of service credit

\* Members with 25 years of service credit as of August 1, 2017, will be included in this plan.

Annual retirement benefits are calculated based on final average salary multiplied by a percentage that varies based on years of service; 2.2 percent for the first thirty years of service and 2.5 percent for years of service credit over 30. Final average salary is the average of the highest three years of salary.

An individual whose benefit effective date is before April 1, 2018, is eligible for a cost of living adjustment (COLA) on the first anniversary date of the benefit. New benefit recipients must wait until the fourth anniversary of their benefit for COLA eligibility. The COLA is added each year to the base benefit amount on the anniversary date of the benefit. The COLA is indexed to the percentage increase in the CPI-W, not to exceed 2.5 percent and with a floor of 0 percent. A three-year COLA suspension was in effect for all benefit recipients for the years 2018, 2019, and 2020. The Retirement Board approved a 2.5 percent COLA for calendar year 2023.

#### **Funding Policy**

Plan members are required to contribute 10 percent of their annual covered salary and the District is required to contribute 14 percent of annual covered payroll. The contribution requirements of plan members and employers are established and may be amended by the SERS' Retirement Board up to statutory maximum amounts of 10 percent for plan members and 14 percent for employers. The Retirement Board, acting with the advice of the actuary, allocates the employer contribution rate among four of the System's funds (Pension Trust Fund, Death Benefit Fund, Medicare B Fund, and Health Care Fund). For the fiscal year ended June 30, 2024, the allocation to pension, death benefits, and Medicare B was 14.0 percent. For fiscal year 2024, the Retirement Board did not allocate any employer contribution to the Health Care Fund.

The District's contractually required contribution to SERS was \$253,515 for fiscal year 2024. Of this amount \$0 is reported as accrued wages and benefits.

#### **Plan Description - State Teachers Retirement System (STRS)**

##### **Plan Description**

District licensed teachers and other faculty members participate in STRS Ohio, a cost-sharing multiple employer public employee system administered by STRS. STRS provides retirement and disability benefits to members and death and survivor benefits to beneficiaries. STRS issues a stand-alone financial report that includes financial statements, required supplementary information, and detailed information about STRS' fiduciary net position. That report can be obtained by writing to STRS, 275 E. Broad St., Columbus, OH 43215-3771, by calling (888) 227-7877, or by visiting the STRS Web site at [www.strsoh.org](http://www.strsoh.org).

New members have a choice of three retirement plans: a Defined Benefit (DB) Plan, a Defined Contribution (DC) Plan, and a Combined Plan. Benefits are established by Ohio Revised Code Chapter 3307.



**Reading Community City School District**  
**Notes to the Basic Financial Statements**  
**For The Fiscal Year Ended June 30, 2024**

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The DB plan offers an annual retirement allowance based on final average salary multiplied by a percentage that varies based on years of service. Effective August 1, 2015, the calculation is 2.2 percent of final average salary for the five highest years of earnings multiplied by all years of service. In April 2017, the Retirement Board made the decision to reduce COLA granted on or after July 1, 2017, to 0 percent upon a determination by its actuary that it was necessary to preserve the fiscal integrity of the retirement system. Benefit recipients' base benefit and past cost-of living increases are not affected by this change. Effective July 1, 2022, a one-time ad-hoc COLA of 3 percent of the base benefit was granted to eligible benefit recipients to begin on the anniversary of their retirement benefit in fiscal year 2023 as long as they retired prior to July 1, 2018. Effective July 1, 2023, a one-time ad-hoc COLA of 1 percent of the base benefit was granted to eligible benefit recipients to begin on the anniversary of their retirement benefit in fiscal year 2024 as long as they retired prior to July 1, 2019. Pursuant to Ohio Revised Code 3307.67(E) the STRS Ohio Retirement Board may adjust the COLA upon a determination by the board's actuary that a change will not materially impair the fiscal integrity of the system or is necessary to preserve the fiscal integrity of the system. Eligibility changes will be phased in until August 1, 2023, when retirement eligibility for unreduced benefits will be five years of service credit and age 65, or 34 years of service credit at any age.

Eligibility changes for DB Plan members who retire with actuarially reduced benefits will be phased in until August 1, 2023, when retirement eligibility will be five years of qualifying service credit and age 60, or 30 years of service credit regardless of age.

The DC Plan allows members to place all their member contributions and 11.09 percent of the 14 percent employer contributions into an investment account. The member determines how to allocate the member and employer money among various investment choices offered by STRS. The remaining 2.91 percent of the 14 percent employer rate is allocated to the defined benefit unfunded liability. A member is eligible to receive a retirement benefit at age 50 and termination of employment. The member may elect to receive a lifetime monthly annuity or a lump sum withdrawal.

The Combined Plan offers features of both the DB Plan and the DC Plan. In the Combined Plan, 12 percent of the 14 percent member rate is deposited into the member's DC account and the remaining 2 percent is applied to the DB Plan. Member contributions to the DC Plan are allocated among investment choices by the member, and contributions to the DB Plan from the employer and the member are used to fund the defined benefit payment at a reduced level from the regular DB Plan. The defined benefit portion of the Combined Plan payment is payable to a member on or after age 60 with five years of service. The defined contribution portion of the account may be taken as a lump sum payment or converted to a lifetime monthly annuity at age fifty and after termination of employment.

New members who choose the DC plan or Combined Plan will have another opportunity to reselect a permanent plan during their fifth year of membership. Members may remain in the same plan or transfer to another STRS plan. The optional annuitization of a member's defined contribution account or the defined contribution portion of a member's Combined Plan account to a lifetime benefit results in STRS bearing the risk of investment gain or loss on the account. STRS has therefore included all three plan options as one defined benefit plan for GASB 68 reporting purposes.

A DB or Combined Plan member with five or more years of credited service who is determined to be disabled may qualify for a disability benefit. New members on or after July 1, 2013, must have at least ten years of qualifying service credit to apply for disability benefits. Members in the DC Plan who become disabled are entitled only to their account balance. Eligible survivors of members who die before service retirement may qualify for monthly benefits. If a member of the DC Plan dies before retirement benefits begin, the member's designated beneficiary is entitled to receive the member's account balance.

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**Funding Policy**

Employer and member contribution rates are established by the State Teachers Retirement Board and limited by Chapter 3307 of the Ohio Revised Code. The 2024 employer and employee contribution rate of 14 percent was equal to the statutory maximum rates. For 2024, the full employer contribution was allocated to pension.

The District's contractually required contribution to STRS was \$1,259,640 for fiscal year 2024. Of this amount \$209,940 is reported as accrued wages and benefits.

**Net Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on the District's share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share and pension expense:

	SERS	STRS	Total
Proportionate Share of the Net Pension Liability	\$2,593,301	\$14,004,506	\$16,597,807
Proportion of the Net Pension Liability:			
Current Measurement Date	0.04693320%	0.06503156%	
Prior Measurement Date	0.04741240%	0.06835004%	
Change in Proportionate Share	-0.00047920%	-0.00331848%	
Pension Expense	\$182,835	\$805,271	\$988,106

At June 30 2024, reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	SERS	STRS	Total
<b><u>Deferred Outflows of Resources</u></b>			
Differences between expected and actual experience	\$111,465	\$510,575	\$622,040
Changes of assumptions	18,370	1,153,347	1,171,717
Changes in employer proportionate share of net pension liability	5,471	0	5,471
Contributions subsequent to the measurement date	253,515	1,259,640	1,513,155
Total Deferred Outflows of Resources	<u>\$388,821</u>	<u>\$2,923,562</u>	<u>\$3,312,383</u>
<b><u>Deferred Inflows of Resources</u></b>			
Differences between expected and actual experience	\$0	\$31,077	\$31,077
Changes of assumptions	0	868,139	868,139
Net difference between projected and actual earnings on pension plan investments	36,451	41,972	78,423
Changes in employer proportionate share of net pension liability	18,745	1,038,865	1,057,610
Total Deferred Inflows of Resources	<u>\$55,196</u>	<u>\$1,980,053</u>	<u>\$2,035,249</u>

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\$1,513,155 reported as deferred outflows of resources related to pension resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Fiscal Year Ending June 30:	SERS	STRS	Total
2025	\$19,145	(\$546,256)	(\$527,111)
2026	(104,315)	(812,374)	(916,689)
2027	163,348	1,254,317	1,417,665
2028	1,932	(211,818)	(209,886)
Total	<u>\$80,110</u>	<u>(\$316,131)</u>	<u>(\$236,021)</u>

**Actuarial Assumptions - SERS**

SERS' total pension liability was determined by their actuaries in accordance with GASB Statement No. 67, as part of their annual actuarial valuation for each defined benefit retirement plan. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts (e.g., salaries, credited service) and assumptions about the probability of occurrence of events far into the future (e.g., mortality, disabilities, retirements, employment termination). Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between the employers and plan members to that point. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations. Future benefits for all current plan members were projected through 2137.

Actuarial calculations reflect a long-term perspective. For a newly hired employee, actuarial calculations will take into account the employee's entire career with the employer and also take into consideration the benefits, if any, paid to the employee after termination of employment until the death of the employee and any applicable contingent annuitant. In many cases actuarial calculations reflect several decades of service with the employer and the payment of benefits after termination.

Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuation, prepared as of June 30, 2023 and compared with June 30, 2022, are presented below:

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	June 30, 2023	June 30, 2022
Inflation	2.40%	2.40%
Future Salary Increases, including inflation	3.25% to 13.58%	3.25% to 13.58%
COLA or Ad Hoc COLA	2.00%, on or after April 1, 2018, COLAs for future retirees will be delayed for three years following commencement	2.00%, on or after April 1, 2018, COLAs for future retirees will be delayed for three years following commencement
Investment Rate of Return	7.00% net of system expenses	7.00% net of system expenses
Actuarial Cost Method	Entry Age Normal (Level Percent of Payroll)	Entry Age Normal (Level Percent of Payroll)

Mortality rates were based on the PUB-2010 General Employee Amount Weight Below Median Healthy Retiree mortality table projected to 2017 with ages set forward 1 year and adjusted 94.20 percent for males and set forward 2 years and adjusted 81.35 percent for females. Mortality among disabled members were based upon the PUB-2010 General Disabled Retiree mortality table projected to 2017 with ages set forward 5 years and adjusted 103.3 percent for males and set forward 3 years and adjusted 106.8 percent for females. Future improvement in mortality rates is reflected by applying the MP-2020 projection scale generationally.

The most recent experience study was completed for the five-year period ended June 30, 2020.

The long-term return expectation for the Pension Plan Investments has been determined by using a building-block approach and assumes a time horizon, as defined in SERS' Statement of Investment Policy. A forecasted rate of inflation serves as the baseline for the return expectation. Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating an arithmetic weighted average of the expected real return premiums for each asset class, adding the projected inflation rate, and adding the expected return from rebalancing uncorrelated asset classes. As of June 30, 2023:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash	2.00%	0.75%
US Equity	24.75%	4.82%
Non-US Equity Developed	13.50%	5.19%
Non-US Equity Emerging	6.75%	5.98%
Fixed Income/Global Bonds	19.00%	2.24%
Private Equity	12.00%	7.49%
Real Estate/Real Assets	17.00%	3.70%
Private Debt/Private Credit	5.00%	5.64%
Total	100.00%	

**Discount Rate**

The total pension liability for 2023 was calculated using the discount rate of 7.00 percent. The discount rate determination did not use a municipal bond rate. The projection of cash flows used to determine the discount rate assumed that employers would contribute the actuarially determined contribution rate of projected compensation over the remaining 21-year amortization period of the unfunded actuarial accrued liability. The actuarially determined contribution rate for fiscal year 2023 was 14 percent. Projected inflows from investment earnings were calculated using the long-term assumed investment rate of return (7.00 percent). Based on those assumptions, the plan's fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability. The annual money weighted

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rate of return, calculated as the internal rate of return on pension plan investments, for fiscal year 2023 was 6.90 percent.

**Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate**

Net pension liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net pension liability calculated using the discount rate of 7.00 percent, as well as what each plan's net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.00 percent), or one percentage point higher (8.00 percent) than the current rate.

	1% Decrease 6.00%	Current Discount Rate 7.00%	1% Increase 8.00%
Proportionate share of the net pension liability	\$3,827,580	\$2,593,301	\$1,553,656

**Changes Between the Measurement Date and the Report Date**

Governor DeWine signed HB33 in July 2023 authorizing SERS to implement a Contribution Based Benefit Cap beginning August 1, 2024. Any effect on the net pension liability is unknown.

**Actuarial Assumptions - STRS**

Key methods and assumptions used in the June 30, 2023, actuarial valuation compared to those used in the June 30, 2022, actuarial valuation are presented below:

	June 30, 2023	June 30, 2022
Inflation	2.50%	2.50%
Projected Salary Increases	From 2.50% to 8.50% based on service	From 2.50% to 8.50% based on age
Investment Rate of Return	7.00% net of investments expense, including inflation	7.00% net of investments expense, including inflation
Discount Rate of Return	7.00%	7.00%
Payroll Increases	3.00%	3.00%
Cost-of-Living Adjustments (COLA)	0.00%	0.00%

Post-retirement mortality rates are based on the Pub-2010 Teachers Healthy Annuitant Mortality Table, adjusted 110 percent for males, projected forward generationally using mortality improvement scale MP-2020. Pre-retirement mortality rates are based on Pub-2010 Teachers Employee Table adjusted 95 percent for females, projected forward generationally using mortality improvement scale MP-2020. Post-retirement disabled mortality rates are based on Pub-2010 Teachers Disable Annuitant Table projected forward generationally using mortality improvement scale MP-2020.

Actuarial assumptions used in the June 30, 2023, valuation are based on the results of an actuarial experience study for the period July 1, 2015, through June 30, 2021. An actuarial experience study is done on a quinquennial basis.

STRS' investment consultant develops an estimate range for the investment return assumption based on the target allocation adopted by the Retirement Board. The target allocation and long-term expected rate of return for each major asset class are summarized as follows:

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Asset Class	Target Allocation *	Long-Term Expected Rate of Return **
Domestic Equity	26.00%	6.60%
International Equity	22.00%	6.80%
Alternatives	19.00%	7.38%
Fixed Income	22.00%	1.75%
Real Estate	10.00%	5.75%
Liquidity Reserves	1.00%	1.00%
Total	100.00%	

\* Final target weights reflected October 1, 2022.

\*\* 10 year annualized geometric nominal returns, which include the real rate of return and inflation of 2.25%, and is net of investment expenses. Over a 30-year period, STRS' investment consultant indicates that the above target allocations should generate a return above the actuarial rate of return, without net value added by management.

**Discount Rate**

The discount rate used to measure the total pension liability was 7.00 percent as of June 30, 2023. The projection of cash flows used to determine the discount rate assumes that member and employer contributions will be made at the statutory contribution rates in accordance with rate increases described above. For this purpose, only employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Based on those assumptions, STRS' fiduciary net position was projected to be available to make all projected future benefit payments to current plan members as of June 30, 2023. Therefore, the long-term expected rate of return on pension plan investments of 7.00 percent was applied to all periods of projected benefit payment to determine the total pension liability as of June 30, 2023.

**Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate**

The following table presents the District's proportionate share of the net pension liability calculated using the current period discount rate assumption of 7.00 percent, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one-percentage-point lower (6.00 percent) or one-percentage-point higher (8.00 percent) than the current rate:

	1% Decrease 6.00%	Current Discount Rate 7.00%	1% Increase 8.00%
Proportionate share of the net pension liability	\$21,535,831	\$14,004,506	\$7,635,066

**Changes Between the Measurement Date and the Report Date**

In March 2024, the STRS Board made the eligibility rule requiring 34 years of service for an unreduced retirement permanent, effective June 1, 2024. Eligibility for a reduced retirement benefit has been lowered from 30 to 29 years of service. The effect of these changes on the net pension liability is currently unknown.

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**Note 10 - Defined Benefit OPEB Plans**

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See Note 9 for a description of the net OPEB liability (asset).

**Plan Description - School Employees Retirement System (SERS)**

**Health Care Plan Description**

The District contributes to the SERS Health Care Fund, administered by SERS for non-certificated retirees and their beneficiaries. For GASB 75 purposes, this plan is considered a cost-sharing other postemployment benefit (OPEB) plan. SERS' Health Care Plan provides healthcare benefits to eligible individuals receiving retirement, disability, and survivor benefits, and to their eligible dependents. Members who retire after June 1, 1986, need 10 years of service credit, exclusive of most types of purchased credit, to qualify to participate in SERS' health care coverage. The following types of credit purchased after January 29, 1981, do not count toward health care coverage eligibility: military, federal, out-of-state, municipal, private school, exempted, and early retirement incentive credit. In addition to age and service retirees, disability benefit recipients and beneficiaries who are receiving monthly benefits due to the death of a member or retiree, are eligible for SERS' health care coverage. Most retirees and dependents choosing SERS' health care coverage are over the age of 65 and therefore enrolled in a fully insured Medicare Advantage plan; however, SERS maintains a traditional, self-insured preferred provider organization for its non-Medicare retiree population. For both groups, SERS offers a self-insured prescription drug program. Health care is a benefit that is permitted, not mandated, by statute. The financial report of the Plan is included in the SERS Annual Comprehensive Financial Report which can be obtained on SERS' website at [www.ohsers.org](http://www.ohsers.org) under Employers/Audit Resources.

The Health Care program is financed through a combination of employer contributions, recipient premiums, investment returns, and any funds received on behalf of SERS' participation in Medicare programs. The System's goal is to maintain a health care reserve account with a 20-year solvency period in order to ensure that fluctuations in the cost of health care do not cause an interruption in the program. However, during any period in which the 20-year solvency period is not achieved, the System shall manage the Health Care Fund on a pay-as-you-go basis.

Access to health care for retirees and beneficiaries is permitted in accordance with Section 3309 of the Ohio Revised Code. SERS' Retirement Board reserves the right to change or discontinue any health plan or program. Active employee members do not contribute to the Health Care Plan. The SERS Retirement Board established the rules for the premiums paid by the retirees for health care coverage for themselves and their dependents or for their surviving beneficiaries. Premiums vary depending on the plan selected, qualified years of service, Medicare eligibility, and retirement status.

**Funding Policy**

State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required pensions and benefits, the Retirement Board may allocate the remainder of the employer contribution of 14 percent of covered payroll to the Health Care Fund in accordance with the funding policy. For fiscal year 2024, no allocation was made to health care. An additional health care surcharge on employers is collected for employees earning less than an actuarially determined minimum compensation amount, pro-rated if less than a full year of service credit was earned. For fiscal year 2024, this amount was \$30,000. Statutes provide that no employer shall pay a health care surcharge greater than 2 percent of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.5 percent of the total statewide SERS-covered payroll for the health care surcharge. For fiscal year 2024, the District's surcharge obligation was \$30,798.

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The surcharge, added to the allocated portion of the 14.00% employer contribution rate is the total amount assigned to the Health Care Fund. The District's contractually required contribution to SERS was \$30,798 for fiscal year 2024.

**Plan Description - State Teachers Retirement System (STRS)**

**Plan Description**

The State Teachers Retirement System of Ohio (STRS) administers a cost-sharing Health Plan administered for eligible retirees who participated in the defined benefit or combined pension plans offered by STRS. Ohio law authorizes STRS to offer this plan. Benefits include hospitalization, physicians' fees, prescription drugs and partial reimbursement of monthly Medicare Part B premiums. Health care premiums were reduced by a Medicare Part B premium credit beginning in 2023. The Plan is included in the report of STRS which can be obtained by visiting [www.strsoh.org](http://www.strsoh.org) or by calling (888) 227-7877.

**Funding Policy**

Ohio Revised Code Chapter 3307 authorizes STRS to offer the Plan and gives the Retirement Board discretionary authority over how much, if any, of the health care costs will be absorbed by STRS. Active employee members do not contribute to the Health Care Plan. All benefit recipients pay a portion of the health care costs in the form of a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions, currently 14 percent of covered payroll. For the fiscal year ended June 30, 2024, STRS did not allocate any employer contributions to post-employment health care.

**Net OPEB Liabilities (Assets), OPEB Expense (Income), and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB**

The net OPEB liability (asset) was measured as of June 30, 2023, and the total OPEB liability used to calculate the net OPEB liability (asset) was determined by an actuarial valuation as of that date. The District's proportion of the net OPEB liability (asset) was based on the District's share of contributions to the respective retirement systems relative to the contributions of all participating entities. Following is information related to the proportionate share and OPEB expense:

	SERS	STRS	Total
Proportionate Share of the Net OPEB Liability	\$797,368	\$0	\$797,368
Proportionate Share of the Net OPEB (Asset)	0	(1,264,774)	(1,264,774)
Proportion of the Net OPEB Liability/Asset:			
Current Measurement Date	0.04840030%	0.06503156%	
Prior Measurement Date	0.04879640%	0.06835004%	
Change in Proportionate Share	-0.00039610%	-0.00331848%	
OPEB Expense	(\$117,985)	(\$63,393)	(\$181,379)

At June 30 2024, reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:



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	SERS	STRS	Total
<u>Deferred Outflows of Resources</u>			
Differences between expected and actual experience	\$1,661	\$1,972	\$3,633
Changes of assumptions	269,614	186,319	455,933
Net difference between projected and actual earnings on OPEB plan investments	6,180	2,257	8,437
Changes in employer proportionate share of net OPEB liability	7,941	31,869	39,810
Contributions subsequent to the measurement date	30,798	0	30,798
Total Deferred Outflows of Resources	<u>\$316,194</u>	<u>\$222,417</u>	<u>\$538,611</u>
<u>Deferred Inflows of Resources</u>			
Differences between expected and actual experience	\$411,232	\$192,912	\$604,144
Changes of assumptions	226,460	834,480	1,060,940
Changes in employer proportionate share of net OPEB liability	127,329	2,777	130,106
Total Deferred Inflows of Resources	<u>\$765,021</u>	<u>\$1,030,169</u>	<u>\$1,795,190</u>

\$30,798 reported as deferred outflows of resources related to OPEB resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability (adjustment to net OPEB asset) in the year ending June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Fiscal Year	SERS	STRS	Total
Ending June 30:			
2025	(\$162,719)	(\$355,591)	(\$518,310)
2026	(146,285)	(167,109)	(313,394)
2027	(91,513)	(63,387)	(154,900)
2028	(48,677)	(86,144)	(134,821)
2029	(27,386)	(78,374)	(105,760)
Thereafter	(3,045)	(57,147)	(60,192)
Total	<u>(\$479,625)</u>	<u>(\$807,752)</u>	<u>(\$1,287,377)</u>

**Actuarial Assumptions - SERS**

The total OPEB liability is determined by SERS' actuaries in accordance with GASB Statement No. 74, as part of their annual actuarial valuation for each retirement plan. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts (e.g., salaries, credited service) and assumptions about the probability of occurrence of events far into the future (e.g., mortality, disabilities, retirements, employment terminations). Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between the employers and plan members to that point. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations.

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Actuarial calculations reflect a long-term perspective. For a newly hired employee, actuarial calculations will take into account the employee's entire career with the employer and also take into consideration the benefits, if any, paid to the employee after termination of employment until the death of the employee and any applicable contingent annuitant. In many cases, actuarial calculations reflect several decades of service with the employer and the payment of benefits after termination.

Key methods and assumptions used in calculating the total OPEB liability in the latest actuarial valuation date of June 30, 2023, compared with June 30, 2022, are presented below:

	June 30, 2023	June 30, 2022
Inflation	2.40%	2.40%
Future Salary Increases, Including Inflation	3.25% to 13.58%	3.25% to 13.58%
Investment Rate of Return	7.00% net of investment expense	7.00% net of investment expense, including inflation
Actuarial Cost Method	Entry Age Normal (Level Percent of Payroll)	Entry Age Normal (Level Percent of Payroll)
Fiduciary Net Position is Projected to be Depleted	2048	2044
Municipal Bond Index Rate:		
Measurement Date	3.86%	3.69%
Prior Measurement Date	3.69%	1.92%
Single Equivalent Interest Rate (SEIR), net of plan investment expense, including price inflation:		
Measurement Date	4.27%	4.08%
Prior Measurement Date	4.08%	2.27%
Health Care Cost Trend Rate	6.75% to 4.40%	7.00% to 4.40%

Mortality rates among healthy retirees were based on the PUB-2010 General Employee Amount Weighted Below Median Healthy Retiree mortality table projected to 2017 with ages set forward 1 year and adjusted 94.20 percent for males and set forward 2 years and adjusted 81.35 percent for females. Mortality among disabled members were based upon the PUB-2010 General Disabled Retiree mortality table projected to 2017 with ages set forward 5 years and adjusted 103.3 percent for males and set forward 3 years and adjusted 106.8 percent for females. Mortality rates for contingent survivors were based on PUB-2010 General Amount Weighted Below Median Contingent Survivor mortality table projected to 2017 with ages set forward 1 year and adjusted 105.5 percent for males and adjusted 122.5 percent for females. Mortality rates for actives is based on PUB-2010 General Amount Weighted Below Median Employee mortality table. Mortality rates are projected using a fully generational projection with Scale MP-2020.

The most recent experience study was completed for the five-year period ended June 30, 2020.

The long-term expected rate of return on plan assets is reviewed as part of the actuarial five-year experience study. The most recent study covers fiscal years 2016 through 2020, and was adopted by the Board on April 15, 2021. Several factors are considered in evaluating the long-term rate of return assumption including long-term historical data, estimates inherent in current market data, and a long-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected return, net of investment expense and inflation) were developed by the investment consultant for each major asset class. These ranges were combined

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to produce the long-term expected rate of return, 7.00 percent, by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation. The assumption is intended to be a long-term assumption and is not expected to change absent a significant change in the asset allocation, a change in the inflation assumption, or a fundamental change in the market that alters expected returns in future years.

The long-term expected nominal rate of return has been determined by calculating a weighted average of the expected real return premiums for each asset class, adding the projected inflation rate, and adding the expected return from rebalancing uncorrelated asset classes. As of June 30, 2023:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash	2.00%	0.75%
US Equity	24.75%	4.82%
Non-US Equity Developed	13.50%	5.19%
Non-US Equity Emerging	6.75%	5.98%
Fixed Income/Global Bonds	19.00%	2.24%
Private Equity	12.00%	7.49%
Real Estate/Real Assets	17.00%	3.70%
Private Debt/Private Credit	5.00%	5.64%
Total	100.00%	

**Discount Rate**

The discount rate used to measure the total OPEB liability at June 30, 2023, was 4.27 percent. The discount rate used to measure total OPEB liability prior to June 30, 2023, was 4.08 percent. The projection of cash flows used to determine the discount rate assumed that contributions will be made from members and the System at the contribution rate of 1.50 percent of projected covered payroll each year, which includes a 1.50 percent payroll surcharge and no contributions from the basic benefits plan. Based on these assumptions, the OPEB plan's fiduciary net position was projected to be depleted in 2048 by SERS' actuaries. The Fidelity General Obligation 20-year Municipal Bond Index Rate was used in the determination of the single equivalent interest rate for both the June 30, 2022, and the June 30, 2023, total OPEB liability. The Municipal Bond Index Rate is the single rate that will generate a present value of benefit payments equal to the sum of the present value determined by the long-term expected rate of return, and the present value determined by discounting those benefits after the date of depletion. The Municipal Bond Index Rate was 3.86 percent at June 30, 2023, and 3.69 percent at June 30, 2022.

**Sensitivity of the Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate and Changes in the Health Care Cost Trend Rates**

The net OPEB liability is sensitive to changes in the discount rate and the health care cost trend rate. The following table presents the net OPEB liability of SERS, what SERS' net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (3.27%) and higher (5.27%) than the current discount rate (4.27%). Also shown is what SERS' net OPEB liability would be based on health care cost trend rates that are 1 percentage point lower (5.75% decreasing to 3.40%) and higher (7.75% decreasing to 5.40%) than the current rate.

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	1% Decrease (3.27%)	Current Discount Rate (4.27%)	1% Increase (5.27%)
Proportionate share of the net OPEB liability	\$1,019,265	\$797,368	\$622,394
	1% Decrease (5.75% decreasing to 3.40%)	Current Trend Rate (6.75% decreasing to 4.40%)	1% Increase (7.75% decreasing to 5.40%)
Proportionate share of the net OPEB liability	\$585,799	\$797,368	\$1,077,727

**Changes Between Measurement Date and Reporting Date**

In September 2023, the SERS Board changed minimum compensation to \$30,000 from \$25,000 for purposes of the surcharge. Any effect on the net OPEB liability is unknown.

**Actuarial Assumptions - STRS**

Key methods and assumptions used in the June 30, 2023, actuarial valuation compared to the prior year are presented below:

	June 30, 2023	June 30, 2022
Projected salary increases	Varies by service from 2.50% to 8.50%	Varies by service from 2.50% to 8.50%
Investment Rate of Return	7.00%, net of investment expenses, including inflation	7.00%, net of investment expenses, including inflation
Payroll Increases	3.00%	3.00%
Discount Rate of Return	7.00%	7.00%
Health Care Cost Trends:		
Medical		
Pre-Medicare	7.50% initial, 4.14% ultimate	7.50% initial, 3.94% ultimate
Medicare	-10.94% initial, 4.14% ultimate	-68.78% initial, 3.94% ultimate
Prescription Drug		
Pre-Medicare	-11.95% initial, 4.14% ultimate	9.00% initial, 3.94% ultimate
Medicare	1.33% initial, 4.14% ultimate	-5.47% initial, 3.94% ultimate

Projections of benefits include the historical pattern of sharing benefit costs between the employers and retired plan members.

Healthy retirees post-retirement mortality rates are based on the Pub-2010 Teachers Healthy Annuitant Mortality Table, adjusted 110 percent for males, projected forward generationally using mortality improvement scale MP-2020; pre-retirement mortality rates are based on Pub-2010 Teachers Employee Table adjusted 95 percent for females, projected forward generationally using mortality improvement scale MP-2020. For disabled retirees, mortality rates are based on the Pub-2010 Teachers Disabled Annuitant Table projected forward generationally using mortality improvement scale MP-2020.

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Actuarial assumptions used in the June 30, 2023, valuation are based on the results of an actuarial experience study for the period July 1, 2015, through June 30, 2021. An actuarial experience study is done on a quinquennial basis.

STRS' investment consultant develops an estimate range for the investment return assumption based on the target allocation adopted by the Retirement Board. The target allocation and long-term expected rate of return for each major asset class are summarized as follows:

<u>Asset Class</u>	<u>Target Allocation *</u>	<u>Long-Term Expected Rate of Return **</u>
Domestic Equity	26.00%	6.60%
International Equity	22.00%	6.80%
Alternatives	19.00%	7.38%
Fixed Income	22.00%	1.75%
Real Estate	10.00%	5.75%
Liquidity Reserves	1.00%	1.00%
Total	<u>100.00%</u>	

\* Final target weights reflected at October 1, 2022.

\*\* 10 year annualized geometric nominal returns, which include the real rate of return and inflation of 2.25%, and is net of investment expenses. Over a 30-year period, STRS' investment consultant indicates that the above target allocations should generate a return above the actual rate of return, without net value added by management.

**Discount Rate**

The discount rate used to measure the total OPEB liability was 7.00 percent as of June 30, 2023. The projection of cash flows used to determine the discount rate assumed STRS continues to allocate no employer contributions to the health care fund. Based on these assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments to current plan members as of June 30, 2023. Therefore, the long-term expected rate of return on health care plan investments of 7.00 percent was applied to all periods of projected health care costs to determine the total OPEB liability as of June 30, 2023.

**Sensitivity of the Proportionate Share of the Net OPEB (Asset) to Changes in the Discount and Health Care Cost Trend Rate**

The following table represents the net OPEB asset as of June 30, 2023, calculated using the current period discount rate assumption of 7.00 percent, as well as what the net OPEB asset would be if it were calculated using a discount rate that is one percentage point lower (6.00 percent) or one percentage point higher (8.00 percent) than the current assumption. Also shown is the net OPEB asset as if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current health care cost trend rates.

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**Reading Community City School District**  
**Notes to the Basic Financial Statements**  
**For The Fiscal Year Ended June 30, 2024**

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Proportionate share of the net OPEB (asset)	(\$1,070,466)	(\$1,264,774)	(\$1,433,996)
	1% Decrease	Current Trend Rate	1% Increase
Proportionate share of the net OPEB (asset)	(\$1,441,849)	(\$1,264,774)	(\$1,051,491)

**Changes Between the Measurement Date and the Reporting date**

In March, 2024, the STRS Board made changes to the eligibility for the maximum health care premium subsidy, going into effect initially with the January 2025 benefit. In May, 2024, the Board aligned the eligibility for the health care premium subsidy with the changes to pension eligibility made in March 2024. The effect on the net OPEB liability (asset) is unknown at this time.

**Note 11 – Long-Term Obligations**

Long-term obligations activity of the District for the fiscal year ended June 30, 2024 was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance	Due In One Year
<b>Governmental Activities:</b>					
Certificates of Participation	\$1,255,000	\$0	\$105,000	\$1,150,000	\$110,000
General Obligation Bonds:					
Series A	12,365,000	0	395,000	11,970,000	410,000
Series A Premium	842,520	0	31,205	811,315	0
Series B	8,650,000	0	65,000	8,585,000	70,000
Series B Premium	504,123	0	26,533	477,590	0
Subtotal Bonds, Loans, and Note	23,616,643	0	622,738	22,993,905	590,000
Compensated Absences	1,435,366	319,867	129,067	1,626,166	364,049
Subtotal Bonds and Other Amounts	25,052,009	319,867	751,805	24,620,071	954,049
Net Pension Liability	17,758,732	0	1,160,925	16,597,807	0
Net OPEB Liability	685,107	112,261	0	797,368	0
Total Long-Term Obligations	<u>\$43,495,848</u>	<u>\$432,128</u>	<u>\$1,912,730</u>	<u>\$42,015,246</u>	<u>\$954,049</u>

**Certificates of Participation** – In fiscal year 2013, the District authorized certificates of participation financing for the acquisition, construction, equipping, improving, installation, and renovation of school facilities, including roof repair and/or replacement. The District is required to make annual payments with interest rates ranging from 2 percent to 4.125 percent. The final payment is due on December 1, 2032. Payments will be made from the District’s general fund.

**General Obligation Bonds** – In fiscal year 2016, the District issued two series of general obligation notes for the purpose of repaying series 2015 and series 2016 bond anticipation notes. The series A bonds, consisting of serial and terms bonds, were issued for \$14,970,000 with a premium of \$1,060,955, interest

**Reading Community City School District**  
**Notes to the Basic Financial Statements**  
**For The Fiscal Year Ended June 30, 2024**

rates varying from 2 to 4 percent, and a final maturity date of November 1, 2049. The series B bonds, consisting of serial and terms bonds, were issued for \$9,110,000 with a premium of \$689,854, interest rates varying from 1 to 4 percent, and a final maturity date of November 1, 2041.

Future principal and interest requirements for the certificates of participation are as follows:

Fiscal Year Ending June 30	Principal	Interest	Total
2025	\$110,000	\$42,887	\$152,887
2026	115,000	38,950	153,950
2027	120,000	34,837	154,837
2028	120,000	30,338	150,338
2029	125,000	25,437	150,437
2030-2033	560,000	47,563	607,563
Total	<u>\$1,150,000</u>	<u>\$220,012</u>	<u>\$1,370,012</u>

Future principal and interest requirements for the bonds are as follows:

Fiscal Year Ending June 30	Series A			Series B		
	Principal	Interest	Total	Principal	Interest	Total
2025	\$410,000	\$486,713	\$896,713	\$70,000	\$305,388	\$375,388
2026	245,000	473,612	718,612	255,000	300,513	555,513
2027	445,000	459,813	904,813	70,000	295,287	365,287
2028	5,000	450,813	455,813	530,000	283,288	813,288
2029	5,000	450,813	455,813	550,000	261,688	811,688
2030-2034	25,000	2,251,060	2,276,060	3,070,000	1,001,562	4,071,562
2035-2039	2,050,000	2,100,102	4,150,102	1,640,000	613,887	2,253,887
2040-2044	2,015,000	1,885,624	3,900,624	2,400,000	110,468	2,510,468
2045-2049	5,525,000	1,035,077	6,560,077	0	0	0
2050	1,245,000	21,788	1,266,788	0	0	0
Total	<u>\$11,970,000</u>	<u>\$9,615,415</u>	<u>\$21,585,415</u>	<u>\$8,585,000</u>	<u>\$3,172,081</u>	<u>\$11,757,081</u>

The Ohio Revised Code provides that voted net general obligation debt of the District shall never exceed 9 percent of the total assessed valuation of the District. The Code further provides that unvoted indebtedness shall not exceed 1/10 of 1 percent of the property valuation of the District. The Code additionally states that unvoted indebtedness related to energy conservation debt shall not exceed 9/10 of 1 percent of the property valuation of the District. The assessed valuation use in determining the District's legal debt margin has been modified by House Bill 530 which became effective March 30, 2006. In accordance with House Bill 530, the assessed valuation used in the District's legal debt margin calculation excluded tangible personal property used in business, telephone or telegraph property, interexchange telecommunications company property, and personal property owned or leased by a railroad company and used in railroad operations.

**Reading Community City School District**  
**Notes to the Basic Financial Statements**  
**For The Fiscal Year Ended June 30, 2024**

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The Ohio Revised Code further provides that when a Board of Education declares a resolution that the student population is not adequately served by existing facilities, and that insufficient capacity exists within the 9 percent limit to finance additional facilities, the State Department of Education may declare that district a “special needs” district. This permits the incurrence of additional debt based upon projected 5-year growth of the school district’s assessed valuation. The District was determined to be a “special needs” district by the State Superintendent.

Compensated absences will be paid from the general fund. The District pays obligations related to employee compensation from the fund benefitting from their service.

**Note 12 – Employee Benefits**

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Compensated Absences

The criteria for determining vacation and sick leave benefits are derived from negotiated agreements, Board resolutions, and State laws. Eligible classified employees and administrators earn ten to thirty days of vacation per year, depending upon length of service. Accumulated, unused vacation time is paid to classified employees and administrators upon termination of employment. Teachers and administrators who are not on a twelve-month contract do not earn vacation time.

Teachers, administrators, and classified employees earn sick leave at the rate of one and one-fourth days per month for a total of 15 sick days of leave for each year under contract. During regular employment, sick leave may be accumulated, up to a maximum of 328 days for teachers, 328 days for administrators, and 240 days for classified employees. Upon retirement, severance pay is based upon one-fourth of the accrual of sick days up to a maximum of 100 days for teachers, 75 days for administrators, and 60 days for classified employees.

Retirement Incentive

The Board of Education shall provide a retirement incentive payment to any member of the bargaining unit who retires through STRS during the term of this Contract under the following conditions:

- Retirement eligibility shall occur for one (1) year periods during the term of this Contract beginning September 1 and ending August 31 of each year of the Contract..
- The member, to be eligible for the increase in severance retirement incentive at sixty percent (60%), must meet the qualifications as listed in the below charts::

60% of Accumulated Sick Leave

<u>Retirement Dates</u>	<u>Reduced Benefits (Minimum Age and Years of Service)</u>
<u>8/1/2021-7/1/2023</u>	<u>Any age and 30 yrs.; or age 55 and 29 yrs.; or age 60 and 5 yrs.*</u>
<u>8/1/2023-7/1/2028</u>	<u>Any age and 30 yrs.; or age 60 and 5 yrs.*</u>
<u>On or after 8/1/2028</u>	<u>Any age and 30 yrs.; or age 60 and 5 yrs.*</u>



**Reading Community City School District**  
**Notes to the Basic Financial Statements**  
**For The Fiscal Year Ended June 30, 2024**

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\*An actuarially reduced benefit reflects a reduction for each year that a member retires before meeting eligibility for an unreduced benefit.

- The member must retire effective at the completion of the school year in which the employee first obtains eligibility based on the table above. The member must give the Board of Education written notice of his/her intention to retire before April 1 of the year in which the member first becomes eligible for the retirement incentive based on years of service and age as listed above. Failure to exercise this right shall result in that member's forfeiture of his/her right to the retirement incentive.
- Severance shall be at sixty percent (60%) of a maximum of three hundred (300) sick days paid out at one-third (1/3) of the amount on September 1 of the year of retirement, one-third (1/3) at January 1 of the following year, and one-third (1/3) at January 1 of the following year.
- Said retirement incentive payment shall be paid to the member on the last scheduled pay date in January of the next calendar year following retirement.

#### Insurance Benefits

The District provides medical, dental, and life insurance and accidental death and dismemberment insurance to most employees through the Greater Cincinnati Insurance Consortium. Employees generally must work in excess of 30 hours per week to be eligible for insurance benefits.

#### Note 13 – Jointly Governed Organizations

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##### Hamilton/Clermont Cooperative

The District is a participant in a consortium of school districts that operate the Hamilton/Clermont Cooperative (H/CC). H/CC is a jointly governed organization among a two county consortium of school districts. The jointly governed organization was formed for the purpose of applying modern technology with the aid of computers and other electronic equipment to administrative and instructional functions among member districts. Each of the governments of these schools supports H/CC based upon a per pupil charge dependent upon the software package utilized. The Governing Board of H/CC consists of one representative from each of the participating members. Complete financial statements for H/CC can be obtained from their administrative offices.

##### Great Oaks Career Campuses

The Great Oaks Career Campuses, a jointly governed organization, is a distinct political subdivision of the State of Ohio operated under the direction of a Board, consisting of one representative from each of the thirty-six participating school districts' elected boards, which possesses its own budgeting and taxing authority. To obtain financial information write to The Great Oaks Career Campuses, Mr. Ben Vanhorn, Treasurer, at 3254 East Kemper Road, Cincinnati, Ohio 45241.

#### Note 14 – Set-Aside Calculations

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The District is required by State statute to annually set aside in the general fund an amount based on a statutory formula for the acquisition and construction of capital improvements. Amounts not spent by year-end or offset by similarly restricted resources received during the year must be held in cash at year-end and carried forward to be used for the same purposes in future years. The following cash basis information describes the change in the year- end set-aside amounts for capital acquisition. Disclosure of this information is required by State statute.

**Reading Community City School District**  
**Notes to the Basic Financial Statements**  
**For The Fiscal Year Ended June 30, 2024**

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	Capital Acquisition
Set Aside Reserve Balance as of June 30, 2023	\$0
Current Year Set Aside Requirements	320,905
Qualified Disbursements	0
Current Year Offsets	(320,905)
Set Aside Reserve Balance as of June 30, 2024	\$0
Restricted Cash as of June 30, 2024	\$0

**Note 15 – Contingencies**

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Grants

The District received financial assistance from federal and state agencies in the form of grants. The expenditure of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the general fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the District at June 30, 2024.

Litigation

The lawsuit that was pending against the district was dismissed. There is an old one for a track case but it is with our insurance company not directly with us anymore

**Note 16 – Claims Servicing Pool**

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The District participates as a member of the Greater Cincinnati Insurance Consortium (the Consortium), a shared risk pool, comprised of fourteen Hamilton County school districts and the Hamilton County Educational Service Center. Decisions concerning the operation of the Consortium are made by a Board of Directors consisting of one (1) representative selected from each participating district and the educational service center. Each member pays an administrative fee to the pool. The Consortium converted from a fully-insured Consortium through an independent third party insurance company to a self-funded insurance Consortium with stop loss coverage effective July 1, 2007. Anthem Blue Cross Blue Shield provides claims review and processing.

**Note 17 – Interfund Activity**

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Interfund Transfers

Transfers made during the year ended June 30, 2024 were as follows:

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**Reading Community City School District**  
**Notes to the Basic Financial Statements**  
**For The Fiscal Year Ended June 30, 2024**

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	Transfers	
	In	Out
General Fund	\$0	\$265,000
Other Governmental Funds	265,000	0
Total All Funds	<u>\$265,000</u>	<u>\$265,000</u>

Interfund Receivables/Payables

As of June 30, 2024, receivables and payables that resulted from various interfund transactions were as follows:

	Interfund	
	Receivable	Payable
General Fund	\$63,682	\$0
Other Governmental Funds	0	63,682
Total All Funds	<u>\$63,682</u>	<u>\$63,682</u>

The amounts due to the general fund from nonmajor governmental funds are the result of the District moving unrestricted balances to support programs and projects accounted for in other funds. The general fund will be reimbursed when funds become available in other governmental funds, which is expected to be received within one year.

**Note 18 – Encumbrance Commitments**

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At June 30, 2024, the District had encumbrance commitments in the governmental funds as follows:

Major Funds	
General	\$85,611
Other Governmental Funds	<u>189,188</u>
Total Encumbrances	<u>\$274,799</u>

**Note 19 – Fund Balances**

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Fund balance is classified as nonspendable, restricted, committed, assigned, and/or unassigned based primarily on the extent to which the District is bound to observe constraints imposed upon the use of the resources in the governmental funds. The constraints placed on fund balance for the major governmental funds and all other governmental funds are presented below:

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**Reading Community City School District**  
**Notes to the Basic Financial Statements**  
**For The Fiscal Year Ended June 30, 2024**

Fund Balances	General	Bond Retirement	Other Governmental Funds	Total
Nonspendable:				
Prepays	\$74,610	\$0	\$44,088	\$118,698
Total Nonspendable	74,610	0	44,088	118,698
Restricted for:				
Food Service	0	0	1,343,776	1,343,776
Local Grants	0	0	25,153	25,153
Classroom Facilities Maintenance	0	0	364,408	364,408
District Managed Activities	0	0	220,635	220,635
Auxiliary Services	0	0	159,243	159,243
One Net	0	0	915	915
Straight A Grant	0	0	50,903	50,903
Career Education ICP	0	0	9	9
Student Activity	0	0	44,383	44,383
Private Purpose Trust	0	0	18,170	18,170
Non-Expendable Trust	0	0	85,693	85,693
Debt Service	0	2,659,198		2,659,198
Capital Projects	0	0	1,051,564	1,051,564
Local Funded Construction	0	0	17,479	17,479
Local Share Construction	0	0	1,461,773	1,461,773
Total Restricted	0	2,659,198	4,844,104	7,503,302
Assigned to:				
Student and Staff Support	16,767	0	0	16,767
Total Assigned	16,767	0	0	16,767
Unassigned (Deficit)	15,812,209	0	(169,048)	15,643,161
Total Fund Balance	\$15,903,586	\$2,659,198	\$4,719,144	\$23,281,928

**Note 20 – Implementation of New Accounting Principles**

For fiscal year 2024, the District implemented Governmental Accounting Standards Board (GASB) Statement No. 100, Accounting Changes and Error Corrections; and portions of GASB Statement No. 99, Omnibus 2022.

GASB Statement No. 100 enhances accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. The implementation of GASB Statement No. 100 did not have an effect on the financial statements of the District.

GASB Statement No. 99 addresses a variety of topics and includes clarification of provisions related to accounting and reporting of leases under GASB Statement No. 87, provides extension of the period which the London Interbank Offered Rate is considered appropriate benchmark interest rate, guidance on disclosure of nonmonetary transaction, accounting for pledges of future revenues when resources are not received by the pledging government under GASB Statement No. 48, and terminology updates related to certain provisions of GASB Statement No. 63 and No. 53. These topics under GASB Statement No. 99 provisions were implemented in a prior year.

**Reading Community City School District**  
**Notes to the Basic Financial Statements**  
**For The Fiscal Year Ended June 30, 2024**

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Other topics in GASB Statement No. 99 includes classification of other derivative instruments within the scope of GASB Statement No. 53, clarification of provisions related to accounting and reporting of Public-Private and Public-Public Partnerships under GASB Statement No. 94, and clarification of provisions to accounting and reporting of subscription-based information technology arrangements under GASB Statement No. 96. These topics under GASB Statement No. 99 provisions were implemented and did not have an effect on the financial statements of the District.

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## **REQUIRED SUPPLEMENTARY INFORMATION**

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Reading Community City School District  
Required Supplementary Information  
Schedule of the District's Proportionate Share of the Net Pension Liability  
School Employees Retirement System of Ohio  
Last Ten Fiscal Years (1)

Year	District's Proportion of the Net Pension Liability	District's Proportionate Share of the Net Pension Liability	District's Covered Payroll	District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2024	0.04693320%	\$2,593,301	\$1,880,336	137.92%	76.06%
2023	0.04741240%	2,564,431	1,798,157	142.61%	75.82%
2022	0.04711370%	1,738,359	1,583,764	109.76%	82.86%
2021	0.05159660%	3,412,708	1,851,743	184.30%	68.55%
2020	0.05549790%	3,320,537	1,861,015	178.43%	70.85%
2019	0.05713010%	3,271,947	1,848,526	177.00%	71.36%
2018	0.05543200%	3,311,940	1,800,000	184.00%	69.50%
2017	0.05635780%	4,124,871	1,580,057	261.06%	62.98%
2016	0.05445050%	3,106,998	1,741,229	178.44%	69.16%
2015	0.05507100%	2,787,112	1,567,958	177.75%	71.70%

(1) Amounts presented as of the District's measurement date which is the prior fiscal year end.

See accompanying notes to the required supplementary information.

Reading Community City School District  
Required Supplementary Information  
Schedule of the District's Contributions for Net Pension Liability  
School Employees Retirement System of Ohio  
Last Ten Fiscal Years

Year	District's Contractually Required Contribution	District's Contributions in Relation to the Contractually Required Contributions	District's Contribution Deficiency (Excess)	District's Covered Payroll	District's Contributions as a Percentage of Covered Payroll
2024	\$253,515	(\$253,515)	\$0	\$1,810,821	14.00%
2023	263,247	(263,247)	0	1,880,336	14.00%
2022	251,742	(251,742)	0	1,798,157	14.00%
2021	221,727	(221,727)	0	1,583,764	14.00%
2020	259,244	(259,244)	0	1,851,743	14.00%
2019	251,237	(251,237)	0	1,861,015	13.50%
2018	249,551	(249,551)	0	1,848,526	13.50%
2017	252,000	(252,000)	0	1,800,000	14.00%
2016	221,208	(221,208)	0	1,580,057	14.00%
2015	229,494	(229,494)	0	1,741,229	13.18%

See accompanying notes to the required supplementary information.



Reading Community City School District  
Required Supplementary Information  
Schedule of the District's Proportionate Share of the Net Pension Liability  
State Teachers Retirement System of Ohio  
Last Ten Fiscal Years (1)

Year	District's Proportion of the Net Pension Liability	District's Proportionate Share of the Net Pension Liability	District's Covered Payroll	District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2024	0.06503156%	\$14,004,506	\$9,097,886	153.93%	80.02%
2023	0.06835004%	15,194,301	9,015,086	168.54%	78.88%
2022	0.06883412%	8,801,061	8,493,679	103.62%	87.78%
2021	0.07298548%	17,659,889	8,785,714	201.01%	75.48%
2020	0.07496906%	16,578,957	8,796,479	188.47%	77.40%
2019	0.07315464%	16,085,063	8,316,679	193.41%	77.30%
2018	0.07115479%	16,902,973	8,258,271	204.68%	75.30%
2017	0.07286233%	24,389,218	8,062,129	302.52%	66.80%
2016	0.07184919%	19,857,015	7,496,121	264.90%	72.10%
2015	0.06838902%	16,634,576	7,149,585	232.66%	74.70%

(1) Amounts presented as of the District's measurement date which is the prior fiscal year end.

See accompanying notes to the required supplementary information.

Reading Community City School District  
Required Supplementary Information  
Schedule of the District's Contributions for Net Pension Liability  
State Teachers Retirement System of Ohio  
Last Ten Fiscal Years

Year	District's Contractually Required Contribution	District's Contributions in Relation to the Contractually Required Contributions	District's Contribution Deficiency (Excess)	District's Covered Payroll	District's Contributions as a Percentage of Covered Payroll
2024	\$1,259,640	(\$1,259,640)	\$0	\$8,997,429	14.00%
2023	1,273,704	(1,273,704)	0	9,097,886	14.00%
2022	1,262,112	(1,262,112)	0	9,015,086	14.00%
2021	1,189,115	(1,189,115)	0	8,493,679	14.00%
2020	1,230,000	(1,230,000)	0	8,785,714	14.00%
2019	1,231,507	(1,231,507)	0	8,796,479	14.00%
2018	1,164,335	(1,164,335)	0	8,316,679	14.00%
2017	1,156,158	(1,156,158)	0	8,258,271	14.00%
2016	1,128,698	(1,128,698)	0	8,062,129	14.00%
2015	1,049,457	(1,049,457)	0	7,496,121	14.00%

See accompanying notes to the required supplementary information.

Reading Community City School District  
Required Supplementary Information  
Schedule of the District's Proportionate Share of the Net OPEB Liability  
School Employees Retirement System of Ohio  
Last Eight Fiscal Years (1) (2)

Year	District's Proportion of the Net OPEB Liability	District's Proportionate Share of the Net OPEB Liability	District's Covered Payroll	District's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability
2024	0.04840030%	\$797,368	\$1,880,336	42.41%	30.02%
2023	0.04879640%	685,107	1,798,157	38.10%	30.34%
2022	0.04856310%	919,096	1,583,764	58.03%	24.08%
2021	0.05235800%	1,137,911	1,851,743	61.45%	18.17%
2020	0.05661780%	1,423,819	1,861,015	76.51%	15.57%
2019	0.05798790%	1,608,741	1,848,526	87.03%	13.57%
2018	0.05640040%	1,513,639	1,800,000	84.09%	12.46%
2017	0.05635780%	1,606,406	1,580,057	101.67%	11.49%

(1) The schedule is intended to show information for the past 10 years and the additional years' information will be displayed as it becomes available. Information prior to 2017 is not available.

(2) Amounts presented as of the District's measurement date which is the prior fiscal year end.

See accompanying notes to the required supplementary information.

Reading Community City School District  
Required Supplementary Information  
Schedule of the District's Contributions for Net OPEB Liability  
School Employees Retirement System of Ohio  
Last Nine Fiscal Years (1) (2)

Year	District's Contractually Required Contribution (2)	District's Contributions in Relation to the Contractually Required Contributions	District's Contribution Deficiency (Excess)	District's Covered Payroll	District's Contributions as a Percentage of Covered Payroll
2024	\$30,798	(\$30,798)	\$0	\$1,810,821	1.70%
2023	35,953	(35,953)	0	1,880,336	1.91%
2022	33,487	(33,487)	0	1,798,157	0.34%
2021	31,118	(31,118)	0	1,583,764	1.96%
2020	28,037	(28,037)	0	1,851,743	1.51%
2019	42,660	(42,660)	0	1,861,015	2.29%
2018	9,243	(9,243)	0	1,848,526	0.50%
2017	0	0	0	1,800,000	0.00%
2016	0	0	0	1,580,057	0.00%

(1) The schedule is intended to show information for the past 10 years and the additional years' information will be displayed as it becomes available. Information prior to 2016 is not available.

(2) Includes surcharge.

See accompanying notes to the required supplementary information.

Reading Community City School District  
Required Supplementary Information  
Schedule of the District's Proportionate Share of the Net OPEB (Asset)/Liability  
State Teachers Retirement System of Ohio  
Last Eight Fiscal Years (1) (2)

Year	District's Proportion of the Net OPEB (Asset)/Liability	District's Proportionate Share of the Net OPEB (Asset)/Liability	District's Covered Payroll	District's Proportionate Share of the Net OPEB (Asset)/Liability as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total OPEB (Asset)/Liability
2024	0.06503156%	(\$1,264,774)	\$9,097,886	(13.90%)	168.52%
2023	0.06835004%	(1,769,810)	9,015,086	(19.63%)	230.73%
2022	0.06883412%	(1,451,311)	8,493,679	(17.09%)	174.73%
2021	0.07298548%	(1,282,719)	8,785,714	(14.60%)	182.13%
2020	0.07496906%	(1,241,667)	8,796,479	(14.12%)	174.74%
2019	0.07315464%	(1,175,520)	8,316,679	(14.13%)	176.00%
2018	0.07115479%	2,776,197	8,258,271	33.62%	47.10%
2017	0.07286233%	3,896,696	8,062,129	48.33%	37.30%

(1) The schedule is intended to show information for the past 10 years and the additional years' information will be displayed as it becomes available. Information prior to 2017 is not available.

(2) Amounts presented as of the District's measurement date which is the prior fiscal year end.

See accompanying notes to the required supplementary information.

Reading Community City School District  
Required Supplementary Information  
Schedule of the District's Contributions for Net OPEB (Asset)/Liability  
State Teachers Retirement System of Ohio  
Last Nine Fiscal Years (1)

Year	District's Contractually Required Contribution	District's Contributions in Relation to the Contractually Required Contributions	District's Contribution Deficiency (Excess)	District's Covered Payroll	District's Contributions as a Percentage of Covered Payroll
2024	\$0	\$0	\$0	\$8,997,429	0.00%
2023	0	0	0	9,097,886	0.00%
2022	0	0	0	9,015,086	0.00%
2021	0	0	0	8,493,679	0.00%
2020	0	0	0	8,785,714	0.00%
2019	0	0	0	8,796,479	0.00%
2018	0	0	0	8,316,679	0.00%
2017	0	0	0	8,258,271	0.00%
2016	0	0	0	8,062,129	0.00%

(1) The schedule is intended to show information for the past 10 years and the additional years' information will be displayed as it becomes available. Information prior to 2016 is not available.

See accompanying notes to the required supplementary information.

Reading Community City School District, Ohio  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual (Non-GAAP Budgetary Basis)  
For the Fiscal Year Ended June 30, 2024

	General Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Taxes	\$9,870,354	\$10,403,171	\$10,449,278	\$46,107
Revenue in lieu of taxes	172	181	182	1
Tuition and Fees	747,290	787,630	791,121	3,491
Investment Earnings	483,635	509,743	512,002	2,259
Intergovernmental	9,060,699	9,549,809	9,592,134	42,325
Charges for Services	10,957	11,549	11,600	51
Other Revenues	65,414	68,945	69,251	306
Total Revenues	20,238,521	21,331,028	21,425,568	94,540
Expenditures:				
Current:				
Instruction:				
Regular	8,912,636	8,815,745	8,468,478	347,267
Special	2,289,557	2,264,667	2,175,458	89,209
Vocational	6,565	6,494	6,238	256
Other	383,270	379,104	364,170	14,934
Support Services:				
Pupil	1,151,745	1,139,224	1,094,348	44,876
Instructional Staff	652,139	645,050	619,640	25,410
General Administration	45,359	44,866	43,099	1,767
School Administration	1,724,445	1,705,698	1,638,508	67,190
Fiscal	682,484	675,065	648,473	26,592
Operations and Maintenance	1,685,913	1,667,585	1,601,896	65,689
Pupil Transportation	377,180	373,079	358,383	14,696
Central	132,321	130,883	125,727	5,156
Operation of Non-Instructional Services	9,549	9,445	9,073	372
Extracurricular Activities	493,453	488,089	468,862	19,227
Capital Outlay	758	750	720	30
Debt Service:				
Principal Retirement	110,507	109,306	105,000	4,306
Interest and Fiscal Charges	49,884	49,342	47,398	1,944
Total Expenditures	18,707,765	18,504,392	17,775,471	728,921
Excess of Revenues Over (Under) Expenditures	1,530,756	2,826,636	3,650,097	823,461
Other Financing Sources (Uses):				
Transfers (Out)	(278,899)	(275,867)	(265,000)	10,867
Total Other Financing Sources (Uses)	(278,899)	(275,867)	(265,000)	10,867
Net Change in Fund Balance	1,251,857	2,550,769	3,385,097	834,328
Fund Balance - Beginning of Year (includes prior year encumbrances appropriated)	9,461,213	9,461,213	9,461,213	0
Fund Balance - End of Year	\$10,713,070	\$12,011,982	\$12,846,310	\$834,328

See accompanying notes to the required supplementary information.

**Reading Community City School District**  
**Notes to the Required Supplementary Information**  
**For The Fiscal Year Ended June 30, 2024**

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**Note 1 – Budgetary Process**

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While the District is reporting financial position, results of operations, and changes in fund balance on the basis of generally accepted accounting principles (GAAP), the basis of budgeting as provided by law is based upon accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The statement of revenues, expenditures and changes in fund balances – budget (non-GAAP basis) and actual for the general fund is presented on the basis of budgeting to provide a meaningful comparison of actual results with the budget. The major differences between the budget basis and GAAP basis are that:

1. Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).
2. Expenditures are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).
3. Encumbrances are treated as expenditures for all funds (budget basis) but have no effect on fund balance for GAAP.
4. Certain funds that are legally budgeted in separate special revenue funds are considered part of the general fund on a GAAP basis. This includes the uniform school supplies, rotary, and public school support funds.

The following table summarizes the adjustments necessary to reconcile the GAAP and budgetary basis statements for the general fund.

Net Change in Fund Balance	
	General
GAAP Basis	\$4,758,639
Revenue Accruals	(1,638,859)
Expenditure Accruals	350,928
Encumbrances	(85,611)
Budget Basis	<u>\$3,385,097</u>

**Note 2 - Net Pension Liability**

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**School Employees Retirement System (SERS)**

**Changes in Benefit Terms:**

2023-2024: There were no changes in benefit terms since the prior measurement period.

2022: Cost of Living Adjustments (COLA) increased from 0.50% to 2.50%.

2020-2021: There were no changes in benefit terms from the amounts reported for this fiscal year.

2019: With the authority granted the Board under Senate Bill 8, the Board has enacted a three year COLA delay for future benefit recipients commencing benefits on or after April 1, 2018.

2018: SERS changed from a fixed 3.00% annual increase to a Cost of Living Adjustments (COLA) based on the changed in the Consumer Price Index Index (CPI-W), with a cap of 2.50% and a floor of 0.00%.

2014-2017: There were no changes in benefit terms from the amounts reported for these fiscal years.



**Reading Community City School District**  
**Notes to the Required Supplementary Information**  
**For The Fiscal Year Ended June 30, 2024**

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**Changes in Assumptions:**

2023-2024: The following changes of assumptions affected the total pension liability since the prior measurement date:

- (1) Cost of Living Adjustments (COLA) was increased from 2.00% to 2.50% for calendar year 2024.

2022: The following changes of assumptions affected the total pension liability since the prior measurement date:

- (1) The assumed rate of inflation was reduced from 3.00% to 2.40%,
- (2) Payroll growth assumption was reduced from 3.50% to 1.75%,
- (3) Assumed real wage growth was increased from 0.50% to 0.85%,
- (4) Cost of Living Adjustments (COLA) was reduced from 2.50% to 2.00%,
- (5) The discount rate was reduced from 7.50% to 7.00%,
- (6) Rates of withdrawal, compensation, participation, spouse coverage assumption, retirement, and disability were updated to reflect recent experience, and,
- (7) Mortality among active members, service retirees and beneficiaries, and disabled members were updated.

2018-2021: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for these fiscal years.

2017: The following changes of assumptions affected the total pension liability since the prior measurement date:

- (1) The assumed rate of inflation was reduced from 3.25% to 3.00%,
- (2) Payroll growth assumption was reduced from 4.00% to 3.50%,
- (3) Assumed real wage growth was reduced from 0.75% to 0.50%,
- (4) Rates of withdrawal, retirement and disability were updated to reflect recent experience,
- (5) Mortality among active members was updated to RP-2014 Blue Collar Mortality Table with fully generational projection and a five year age set-back for both males and females,
- (6) Mortality among service retired members, and beneficiaries was updated to the following RP-2014 Blue Collar Mortality Table with fully generational projection with Scale BB, 120% of male rates, and 110% of female rates,
- (7) Mortality among disabled members was updated to RP-2000 Disabled Mortality Table, 90% for male rates and 100% for female rates, set back five years is used for the period after disability retirement, and
- (8) The discount rate was reduced from 7.75% to 7.50%.

2014-2016: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for these fiscal years.

**State Teachers Retirement System (STRS)**

**Changes in Benefit Terms:**

2019-2024: There were no changes in benefit terms from the amounts reported for these fiscal years.

2018: STRS decreased the Cost of Living Adjustment (COLA) to zero.

2014-2017: There were no changes in benefit terms from the amounts reported for these fiscal years.

**Reading Community City School District**  
**Notes to the Required Supplementary Information**  
**For The Fiscal Year Ended June 30, 2024**

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**Changes in Assumptions:**

2024: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for these fiscal years.

2023: The following changes of assumptions affected the total pension liability since the prior measurement date:

- (1) Post-retirement mortality rates are based on the Pub-2010 Teachers Healthy Annuitant Mortality Table:
  - a. Adjusted 110.0% for males, projected forward generationally using mortality improvement scale MP-2020
- (2) Pre-retirement mortality rates are based on Pub-2010 Teachers Employee Table:
  - a. Adjusted 95.0% for females, projected forward generationally using mortality improvement scale MP-2020
- (3) Post-retirement disabled mortality rates are based on Pub-2010 Teachers Disable Annuitant Table:
  - a. Projected forward generationally using mortality improvement scale MP-2020
- (4) Projected salary increases changed from 2.50% to 12.50% to 2.50% to 8.50%

2022: There were changes in assumptions since the prior measurement date, which the discount rate was adjusted to 7.00% from 7.45%.

2019-2021: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for these fiscal years.

2018: The following changes of assumptions affected the total pension liability since the prior measurement date:

- (1) The long term expected rate of return was reduced from 7.75% to 7.45%,
- (2) The inflation assumption was lowered from 2.75% to 2.50%,
- (3) The payroll growth assumption was lowered to 3.00%,
- (4) Total salary increases rate was lowered by decreasing the merit component of the individual salary increases, in addition to a decrease of 0.25% due to lower inflation,
- (5) The healthy and disabled mortality assumptions were updated to the RP-2014 mortality tables with generational improvement scale MP-2016, and
- (6) Rates of retirement, termination and disability were modified to better reflect anticipated future experience.

2014-2017: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for these fiscal years.

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**Note 3 - Net OPEB (Asset)/Liability**

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**School Employees Retirement System (SERS)**

**Changes in Benefit Terms:**

2024: Effective January 1, 2024, the non-Medicare disability health care subsidy amounts will change to reflect amounts equal to that of service retirees by years of service.

2017-2023: There were no changes in benefit terms from the amounts reported for these fiscal years.

**Reading Community City School District**  
**Notes to the Required Supplementary Information**  
**For The Fiscal Year Ended June 30, 2024**

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**Changes in Assumptions:**

2024: Amounts reported for the fiscal year incorporate changes in key methods and assumptions used in calculating the total OPEB liability as presented below:

- (1) Discount Rate:

Prior Measurement Date	4.08%
Measurement Date	4.27%
- (2) Municipal Bond Index Rate:

Prior Measurement Date	3.69%
Measurement Date	3.86%
- (3) Single Equivalent Interest Rate, net of plan investment expense, including price inflation:

Prior Measurement Date	4.08%
Measurement Date	4.27%
- (4) The assumption for percent of pre-Medicare eligible retirees who choose the Wraparound plan increased from 10% to 20%.
- (5) The health care trend assumption on retiree premiums was updated to not apply trend to the \$35 surcharge.
- (6) The morbidity factors were updated based on the Society of Actuaries' June 2013 research report Health Care Costs—From Birth to Death by Dale Yamamoto and from the ASOP 6 practice note developed by the American Academy of Actuaries.
- (7) An assumption was added to assume that 15% of pre-65 retirees who waive will elect coverage upon Medicare eligibility.

2023: Amounts reported for the fiscal year incorporate changes in key methods and assumptions used in calculating the total OPEB liability as presented below:

- (1) Discount Rate:

Prior Measurement Date	2.27%
Measurement Date	4.08%
- (2) Municipal Bond Index Rate:

Prior Measurement Date	1.92%
Measurement Date	3.69%
- (3) Single Equivalent Interest Rate, net of plan investment expense, including price inflation:

Prior Measurement Date	2.27%
Measurement Date	4.08%
- (4) Health care trend rates were updated.

2022: Amounts reported for the fiscal year incorporate changes in key methods and assumptions used in calculating the total OPEB liability as presented below:

- (1) Discount Rate:

Prior Measurement Date	2.63%
Measurement Date	2.27%
- (2) Investment Rate of Return:

Prior Measurement Date	7.50%
Measurement Date	7.00%
- (3) Assumed Rate of Inflation:

Prior Measurement Date	3.00%
Measurement Date	2.40%
- (4) Payroll Growth Assumption:

Prior Measurement Date	3.50%
Measurement Date	1.75%

**Reading Community City School District**  
**Notes to the Required Supplementary Information**  
**For The Fiscal Year Ended June 30, 2024**

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- (5) Assumed Real Wage Growth:
  - Prior Measurement Date 0.50%
  - Measurement Date 0.85%
- (6) Municipal Bond Index Rate:
  - Prior Measurement Date 2.45%
  - Measurement Date 1.92%
- (7) Single Equivalent Interest Rate, net of plan investment expense, including price inflation:
  - Prior Measurement Date 2.63%
  - Measurement Date 2.27%
- (8) Rates of withdrawal, retirement and disability were updated to reflect recent experience.
- (9) Rate of health care participation for future retirees and spouses was updated to reflect recent.
- (10) Mortality among active members was updated to the following:
  - a. PUB-2010 General Amount Weighted Below Median Employee mortality table.
- (11) Mortality among service retired members was updated to the following:
  - a. PUB-2010 General Employee Amount Weighted Below Median Healthy Retiree mortality table projected to 2017 with ages set forward 1 year and adjusted 94.20% for males and set forward 2 years and adjusted 81.35% for females.
- (12) Mortality among beneficiaries was updated to the following:
  - a. PUB-2010 General Amount Weighted Below Median Contingent Survivor mortality table projected to 2017 with ages set forward 1 year and adjusted 105.5% for males and adjusted 122.5% for females.
- (13) Mortality among disabled member was updated to the following:
  - a. PUB-2010 General Disabled Retiree mortality table projected to 2017 with ages set forward 5 years and adjusted 103.3% for males and set forward 3 years and adjusted 106.8% for females.
- (14) Mortality rates are projected using a fully generational projection with Scale MP-2020.

2021: Amounts reported for the fiscal year incorporate changes in key methods and assumptions used in calculating the total OPEB liability as presented below:

- (1) Discount Rate:
  - Prior Measurement Date 3.22%
  - Measurement Date 2.63%
- (2) Municipal Bond Index Rate:
  - Prior Measurement Date 3.13%
  - Measurement Date 2.45%
- (3) Single Equivalent Interest Rate, net of plan investment expense, including price inflation:
  - Prior Measurement Date 3.22%
  - Measurement Date 2.63%

2020: Amounts reported for the fiscal year incorporate changes in key methods and assumptions used in calculating the total OPEB liability as presented below:

- (1) Discount Rate:
  - Prior Measurement Date 3.70%
  - Measurement Date 3.22%
- (2) Municipal Bond Index Rate:
  - Prior Measurement Date 3.62%
  - Measurement Date 3.13%
- (3) Single Equivalent Interest Rate, net of plan investment expense, including price inflation:

**Reading Community City School District**  
**Notes to the Required Supplementary Information**  
**For The Fiscal Year Ended June 30, 2024**

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Prior Measurement Date	3.70%
Measurement Date	3.22%

2019: Amounts reported for the fiscal year incorporate changes in key methods and assumptions used in calculating the total OPEB liability as presented below:

(1) Discount Rate:

Prior Measurement Date	3.63%
Measurement Date	3.70%

(2) Municipal Bond Index Rate:

Prior Measurement Date	3.56%
Measurement Date	3.62%

(3) Single Equivalent Interest Rate, net of plan investment expense, including price inflation:

Prior Measurement Date	3.63%
Measurement Date	3.70%

2018: Amounts reported for the fiscal year incorporate changes in key methods and assumptions used in calculating the total OPEB liability as presented below:

(1) Discount Rate:

Fiscal Year 2018	3.63%
Fiscal Year 2017	2.98%

(2) Municipal Bond Index Rate:

Fiscal Year 2018	3.56%
Fiscal Year 2017	2.92%

(3) Single Equivalent Interest Rate, net of plan investment expense, including price inflation:

Fiscal Year 2018	3.63%
Fiscal Year 2017	2.98%

2017: The following changes of assumptions affected the total OPEB liability since the prior measurement date:

- (1) The assumed rate of inflation was reduced from 3.25% to 3.00%,
- (2) Payroll growth assumption was reduced from 4.00% to 3.50%,
- (3) Assumed real wage growth was reduced from 0.75% to 0.50%,
- (4) Rates of withdrawal, retirement and disability were updated to reflect recent experience,
- (5) Mortality among active members was updated to RP-2014 Blue Collar Mortality Table with fully generational projection and a five year age set-back for both males and females,
- (6) Mortality among service retired members, and beneficiaries was updated to the following RP-2014 Blue Collar Mortality Table with fully generational projection with Scale BB, 120% of male rates, and 110% of female rates, and
- (7) Mortality among disabled members was updated to RP-2000 Disabled Mortality Table, 90% for male rates and 100% for female rates, set back five years is used for the period after disability retirement.

**State Teachers Retirement System (STRS)**

**Changes in Benefit Terms:**

2024: Healthcare trends were updated to reflect emerging claims and recoveries experience as well as benefit changes effective January 1, 2024. The change in the subsidy percentage and the base amount for all retiree Non-Medicare Eligible (NME) participants, from 2.2% per year in last year's valuation to 2.5% per year, capped at 75%, as well as the unfreezing of the NME subsidy, the removal of the 6% cap on the

**Reading Community City School District**  
**Notes to the Required Supplementary Information**  
**For The Fiscal Year Ended June 30, 2024**

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year over year subsidy increase for Medicare Eligible (ME) participants, the changes in deductible and office visits copays for Aetna's Medicare Advantage plan, and updates in the medical and PBM vendor contracts. In addition, there were benefit changes related to the change in eligibility for unreduced Pension benefits.

2023: Salary increase rates were updated based on the actuarial experience study for the period July 1, 2015 through June 30, 2021 and were changed from age based to service based. Healthcare trends were updated to reflect emerging claims and recoveries experience.

2022: The non-Medicare subsidy percentage was increased effective January 1, 2022 from 2.055% to 2.100%. The non-Medicare frozen subsidy base premium was increased effective January 1, 2022. The Medicare Part D subsidy was updated to reflect it is expected to be negative in CY2022. The Part B monthly reimbursement elimination date was postponed indefinitely.

2021: There was no change to the claims costs process. Claim curves were updated to reflect the projected fiscal year end 2021 premium based on June 30, 2020 enrollment distribution. The non-Medicare subsidy percentage was increased effective January 1, 2021 from 1.984% to 2.055% per year of service. The non-Medicare frozen subsidy base premium was increased effective January 1, 2021. The Medicare subsidy percentages were adjusted effective January 1, 2021 to 2.1% for the AMA Medicare plan. The Medicare Part B monthly reimbursement elimination date was postponed indefinitely.

2020: There was no change to the claims costs process. Claim curves were trended to the fiscal year ending June 30, 2020 to reflect the current price renewals. The non-Medicare subsidy percentage was increased effective January 1, 2020 from 1.944% to 1.984% per year of service. The non-Medicare frozen subsidy base premium was increased effective January 1, 2020. The Medicare subsidy percentages were adjusted effective January 1, 2021 to 2.1% for the Medicare plan. The Medicare Part B monthly reimbursement elimination date was postponed to January 1, 2021.

2019: The subsidy multiplier for non-Medicare benefit recipients was increased from 1.900% to 1.944% per year of service effective January 1, 2019. The non-Medicare frozen subsidy base premium was increased effective January 1, 2019 and all remaining Medicare Part B premium reimbursements will be discontinued beginning January 1, 2020. The Board is extending the current Medicare Part B partial reimbursement program for one year. Under this program, benefit recipients currently enrolled in the STRS Ohio Health Care Program and Medicare Part B receive \$29.90 per month to reimburse a portion of the Medicare Part B premium. The reimbursement was set to be reduced to \$0 beginning January 1, 2020. This impacts about 85,000 benefit recipients.

2018: The subsidy multiplier for non-Medicare benefit recipients was reduced from 2.10% to 1.90% per year of service. Medicare Part B premium reimbursements were discontinued for certain survivors and beneficiaries and all remaining Medicare Part B premium reimbursements will be discontinued beginning January 1, 2019.

2017: There were no changes in benefit terms from the amounts reported for this fiscal year.

**Changes in Assumptions:**

2024: Healthcare trends were updated to reflect emerging claims and recoveries experience as well as benefit changes effective January 1, 2024. The change in the subsidy percentage and the base amount for all retiree Non-Medicare Eligible (NME) participants, from 2.2% per year in last year's valuation to 2.5%

**Reading Community City School District**  
**Notes to the Required Supplementary Information**  
**For The Fiscal Year Ended June 30, 2024**

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per year, capped at 75%, as well as the unfreezing of the NME subsidy, the removal of the 6% cap on the year over year subsidy increase for Medicare Eligible (ME) participants, the changes in deductible and office visits copays for Aetna's Medicare Advantage plan, and updates in the medical and PBM vendor contracts. In addition, there were benefit changes related to the change in eligibility for unreduced Pension benefits.

2023: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for these fiscal years.

2022: There were changes in assumptions since the prior measurement date, which the discount rate was adjusted to 7.00% from 7.45%.

2021: There were changes in assumptions during the measurement year, which decreased the total OPEB liability by approximately \$0.26 billion. The assumption changes included changes in healthcare costs and trends.

2020: There were changes in assumptions during the measurement year, which increased the total OPEB liability by approximately \$0.04 billion. The assumption changes included changes in healthcare costs and trends.

2019: The discount rate was increased from the blended rate of 4.13% to the long-term expected rate of return of 7.45% based on the methodology defined under GASB Statement No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans (OPEB). Valuation year per capita health care costs were updated.

2018: The discount rate was increased from 3.26% to 4.13% based on the methodology defined under GASB Statement No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans (OPEB) and the long term expected rate of return was reduced from 7.75% to 7.45%. Valuation year per capita health care costs were updated, and the salary scale was modified. The percentage of future retirees electing each option was updated based on current data and the percentage of future disabled retirees and terminated vested participants electing health coverage were decreased. The assumed mortality, disability, retirement, withdrawal and future health care cost trend rates were modified along with the portion of rebated prescription drug costs.

2017: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for this fiscal year.

**READING COMMUNITY CITY SCHOOL DISTRICT  
HAMILTON COUNTY  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2024**

Federal Grantor/ Pass Through Grantor/ Program Title	Pass Through Entity Number	Assistance Listing Number	Total Federal Expenditures
<b>U.S. DEPARTMENT OF AGRICULTURE</b>			
Passed Through Ohio Department of Education:			
Child Nutrition Cluster:			
School Breakfast Program	3L70	10.553	\$68,970
National School Lunch Program Non-Cash Assistance	3L60	10.555	60,832
National School Lunch Program	3L60	10.555	313,169
COVID-19 National School Lunch Program	3L60	10.555	41,136
Total National School Lunch Program			415,137
Total Child Nutrition Cluster			484,107
Total U.S. Department of Agriculture			484,107
<b>U.S. DEPARTMENT OF EDUCATION</b>			
Passed Through Ohio Department of Education:			
Special Education Cluster:			
Special Education-Grants to States	3M20	84.027	613,568
Special Education-Preschool Grants	3C50	84.173	8,562
Total Special Education Cluster			622,130
COVID-19 American Rescue Plan - Elementary and Secondary School Emergency Relief Fund	3HS0	84.425U	559,624
COVID-19 American Rescue Plan - Elementary and Secondary School Emergency Relief Fund - Homeless Children and Youth	3HZ0	84.425W	14,789
Total Education Stabilization Fund			574,413
Title I Grants to Local Educational Agencies	3M00	84.010	450,539
Supporting Effective Instruction State Grants	3Y60	84.367	67,149
Student Support and Academic Enrichment Program	3H10	84.424	40,144
Total U.S. Department of Education			1,754,375
Total Expenditures of Federal Awards			\$2,238,482

See accompanying notes to the schedule of expenditures of federal awards.



**READING COMMUNITY CITY SCHOOL DISTRICT  
HAMILTON COUNTY  
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2024**

**NOTE 1 – BASIS OF PRESENTATION**

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of Reading Community City School District (the District) under programs of the federal government for the year ended June 30, 2024. The information on this Schedule is prepared in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position, changes in net position, or cash flows of the District.

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Expenditures reported on the Schedule are reported on the cash basis of accounting. Such expenditures are recognized following the cost principles contained in Uniform Guidance wherein certain types of expenditures may or may not be allowable or may be limited as to reimbursement. The District has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

**NOTE 3 – CHILD NUTRITION CLUSTER**

The District commingles cash receipts from the U.S. Department of Agriculture with similar State grants. When reporting expenditures on this Schedule, the District assumes it expends federal monies first.

**NOTE 4 – FOOD DONATION PROGRAM**

The District reports commodities consumed on the Schedule at the fair value. The District allocated donated food commodities to the respective program that benefited from the use of those donated food commodities.

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING  
AND ON COMPLIANCE AND OTHER MATTERS REQUIRED BY *GOVERNMENT AUDITING STANDARDS***

Board of Education  
Reading Community City School District

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Reading Community City School District (the District), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated December 20, 2024.

**Report on Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

**Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

## Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Plattensburg & Associates, Inc.*

Plattensburg & Associates, Inc.

Cincinnati, Ohio

December 20, 2024

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS  
APPLICABLE TO EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL  
OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

Board of Education  
Reading Community City School District

**Report on Compliance for Each Major Federal Program**

***Opinion on Each Major Federal Program***

We have audited the Reading Community City School District's (the District) compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2024. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the District, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2024.

***Basis for Opinion on Each Major Federal Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the District's compliance with the compliance requirements referred to above.

***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the District's federal programs.

### ***Auditor's Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the District's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

### **Report on Internal Control over Compliance**

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

*Plattenburg & Associates, Inc.*

Plattenburg & Associates, Inc.

Cincinnati, Ohio

December 20, 2024

**READING COMMUNITY CITY SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2024**

**Section I – Summary of Auditor’s Results**

**Financial Statements**

Type of auditor’s report issued on whether the financial statements audited were prepared in accordance with GAAP:

Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? No
- Significant Deficiency(s) identified? None reported

Noncompliance material to financial statements noted?

No

**Federal Awards**

Internal control over major federal programs:

- Material weakness(es) identified? No
- Significant Deficiency(s) identified? None reported

Type of auditor’s report issued on compliance for major federal programs:

Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?

No

Identification of major federal programs:

Special Education Cluster

Dollar threshold used to distinguish between Type A and Type B Programs

\$750,000

Auditee qualified as low-risk auditee?

Yes

**Section II – Findings Related to the Financial Statements Required to be reported in Accordance with GAGAS**

None

**Section III – Federal Award Findings and Questioned Costs**

None

**READING COMMUNITY CITY SCHOOL DISTRICT  
SCHEDULE OF PRIOR AUDIT FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2024**

**Summary of Prior Audit Findings and Questioned Costs:**

None Noted.



# OHIO AUDITOR OF STATE KEITH FABER



**READING COMMUNITY CITY SCHOOL DISTRICT**

**HAMILTON COUNTY**

## **AUDITOR OF STATE OF OHIO CERTIFICATION**

This is a true and correct copy of the report, which is required to be filed pursuant to Section 117.26, Revised Code, and which is filed in the Office of the Ohio Auditor of State in Columbus, Ohio.



**Certified for Release 2/25/2025**

65 East State Street, Columbus, Ohio 43215  
Phone: 614-466-4514 or 800-282-0370

This report is a matter of public record and is available online at  
[www.ohioauditor.gov](http://www.ohioauditor.gov)